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FOURTH WAR NUMBER

THE ROUND TABLE

**A QUARTERLY REVIEW OF THE POLITICS
OF THE BRITISH COMMONWEALTH**

Contents of Number 120

SEA

SIR ABE BAILEY

HITLER AND COMMON SENSE

THE STRATEGY OF THE WAR. IV

WAR ECONOMY AND FINANCE

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AND ARTICLES FROM CORRESPONDENTS

IN

**INDIA IRELAND GREAT BRITAIN CANADA
AUSTRALIA SOUTH AFRICA NEW ZEALAND**

AND

A LIST OF COLONIAL WAR GIFTS

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THE ROUND TABLE is a co-operative enterprise conducted by people who dwell in the different parts of the British Commonwealth, and whose aim is to publish once a quarter a comprehensive review of imperial politics, free from the bias of local party issues. To this is added a careful and impartial treatment of outstanding international problems that affect the nations of the Commonwealth. The affairs of THE ROUND TABLE in each portion of the Commonwealth are in the hands of local residents, who are responsible for all articles on the politics of their own country. It is hoped that in this way THE ROUND TABLE serves to reflect the current opinions of all parts about imperial problems, and at the same time to present a survey of them as a whole, in the light of changing world conditions.

THE ROUND TABLE

A QUARTERLY REVIEW OF THE POLITICS
OF THE BRITISH COMMONWEALTH

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SIR ABE BAILEY

AS the passing of Sir Abe Bailey has removed from the ROUND TABLE its oldest and warmest friend, it is time to tell in its pages the story of how that friendship arose. In 1908, when the question of the union of the four separate governments in South Africa had not yet entered the field of practical politics, young men in various parts of South Africa were beginning to organise Closer Union Societies. Abe Bailey said to some of them: "I am a South African. I mean to be in on this movement. The time has come to realise the dreams of Cecil Rhodes. You young men are doing the writing, but you will want funds to run these Closer Union Societies. I can't write books, but I can write cheques. Go off, think it over, and tell me how I can help with money."

Surprised and touched at this offer, the young men discussed at length what should be done about it. The intention had been that the Closer Union Societies should be self-supporting, and should be financed from the contributions of their members. But in those days there was no South African newspaper, nor even a magazine, which circulated through all the Colonies or indeed through more than one of them. The greatest need of the movement was some organ which people in all the Colonies could read, and which would keep the South African, as opposed to the local and colonial, point of view before their minds. To create such a magazine, and on lines sufficiently attractive to command a wide circulation from the outset, was beyond the limited means of the Closer Union Societies. It was therefore agreed to suggest to Abe that he should guarantee the capital required for the purpose up to £3,000; but on one condition only, that a full public announcement of the fact should be made in advance. To this stipulation for publicity Abe was strongly opposed on the ground that he wanted to aid the movement entirely for its own sake, and not

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for the sake of "kudos" (a Greek word which had strangely found its way into current slang at that time). It was pointed out to him that everyone would see that a magazine of the type required could not hope to pay its way for some years. Everyone would see that the money required to finance it had been furnished by someone, and great distrust would arise if the promoters were unable to say how the money to produce it was found. Abe, who had always an eye for realities, saw this point and agreed that a magazine called *The State* should be founded, and that full publicity should be given in advance to the fact that he was providing the funds to finance it. The magazine was to support the cause of South African Union. On no occasion did Abe ever attempt to influence or interfere with the editors in the line they took.

His conduct in this instance was characteristic of all his numerous benefactions to public movements. He had a flair for movements which mattered. The Salvation Army was one of many. But when he had made up his mind to support a movement, there was never the slightest suggestion of a *quid pro quo* for the help which he gave it. If there was any publicity for his gifts it did not come from himself but only from the recipients, for such reasons as prompted publicity in the case of *The State*. The great majority of his benefactions have never been known to the public at all.

By 1909 the Constitution drafted by the South African Convention had been given the force of law at Westminster. In 1910 the first South African Government had come into being, with General Botha as Prime Minister. The Union was the joint work of Dutch and British working together on the morrow of a fratricidal war. The co-operation of leaders like Botha, Smuts, Malan, Jameson, Merriman, Steyn, Hertzog, Moore and Farrar had made it possible. But, as always happens, the solution of one problem had opened another. To the British advocates of Union a question had been put which they found it difficult to answer. They had argued to their fellow countrymen that unless Union were effected in time, the two races would rapidly drift into internecine strife

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once more. It was up to men of British origin, they urged, to help in creating a Government responsible to the people of South Africa as a whole, and then to obey that Government, even if they themselves might be in the minority.

The Kaiser's famous interview in the *Daily Telegraph* was published whilst the South African Convention was still in session. *The State* had been able to announce that officers of the German gunboat *Panther*, enjoying South African hospitality whilst their ship was under repair at Capetown, had been caught photographing the defences of Simonstown. German ambitions to destroy and supplant the British Commonwealth were manifest to those who had eyes to see. Now the question put to the British leaders by their followers was this. "If Germany attacks the British Empire, we who believe that the freedom of South Africa is bound up with its security will want to do our part in its defence. If Botha is Prime Minister we know that he will think as we do. But we must not count on that. Can not all the Dominions be brought to realise the common danger that confronts them as much as it confronts Great Britain, and think out in mutual discussion the means of uniting all the force and resolution of the Empire in its defence?"

To the solution of this question the founders of the Closer Union Societies resolved to apply a similar procedure. ROUND TABLE Groups were established in all the British Dominions to study the problem. The ROUND TABLE magazine was founded as a means of communication between those groups in the conduct of their studies. It carried no advertisements to meet the cost, and throughout its now lengthening career Abe Bailey was always a generous supporter. The cable from South Africa describing his will reveals his wish to continue that support when he had passed from us. This posthumous proof of Sir Abe's belief in the work of his old comrades is at least as precious as the means to continue it.

And now he has passed to the other side. The wide circle of friends whom he kept about him to the last know how broad and deep were the waters at his crossing. We have

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spoken of his generosity and public spirit. Those years of acute continuous pain were needed to reveal his dauntless courage, a courage so great that it kept him alive long after all pleasure in living was gone. His anxiety of mind for the Commonwealth overshadowed the physical anguish which gave his body no rest. Always a realist, he had grasped the reality of Hitler's sinister purpose, and also the formidable nature of his measures to enforce it. At the last gathering of friends in his Norfolk home he implored them to realise the magnitude of the danger we were facing. It is sad to think that he should have missed just by a week the greatest and most glorious air fight the world has yet seen.

For the grim tasks which still await us before a peace worth calling the name can be in sight, let us pray for a double portion of Abe's courage, tenacity and realism.

HITLER AND COMMON SENSE

And Jehu answered, What hast thou to do with peace?

WHEN the last number of THE ROUND TABLE was published three months ago, it was already clear that Britain was face to face with the greatest danger that had ever threatened her. But at that time the Battle of France had only just begun and it was possible to hope that the great French army would rally on some last line of defence and that, even if France were lost, the French Government, like those of Poland and Czechoslovakia and Norway and Holland and Belgium, would fight on, with its fleet, its forces in North Africa and Syria, and all the resources of its Empire. In a week or two the Battle of France was ended and those hopes were dead. Britain stood alone, awaiting an attack that had always been certain and was now imminent, with little but her own strength to avail her. The gallant army of Free Frenchmen and the other Allied troops that had found refuge on her soil were small in numbers. The Dominion forces in the island were but the vanguards of armies not yet trained and equipped. The loss of most of the French fleet had increased the extent and the difficulty of the British Navy's task of protecting shipping. The loss of the French air force meant that the whole of Germany's immense *Luftwaffe*, not to mention the Italian, could be concentrated on Britain. The loss of the French ports and forces in the Mediterranean meant a radical change in the strategic position in both its main basins. In Tropical Africa and the Far East the old danger-points became more dangerous. And, of course, with this weakening of the British position went a corresponding strengthening of that of the Axis Powers. In particular, Germany had not only obtained control of most of Europe and its resources for adding in the long run to her productive power; she had occupied the whole coastline from the North Cape to the

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Pyrenees as one vast encircling base for the immediate assault on Britain with aircraft and submarines and mines and, when all was ready, with invading armies. Was it altogether surprising, though it seemed surprising to most Englishmen, that the cry ran round the world that Britain was doomed?

At this dramatic moment Hitler made a kind of peace-offer. It was scarcely pacific in tone or substance. "It almost causes me pain", he said, "to think that I should have been selected by fate to deal the final blow to the structure which these men [British statesmen] have already set tottering. . . . A great people will be destroyed—an empire which it was never my intention to destroy or even to harm." Nor was his offer, if such it can be called, addressed to British Ministers whom he described as "ridiculous nonentities", hand-in-glove with "the Jewish capitalist warmongers", but to public opinion in Britain and the world at large. The cardinal passage of his speech, delivered in the Reichstag on July 19, was as follows:

It has never been my intention to wage war, but rather to build up a State with a new social order and the finest possible standard of culture. Every year that the war drags on is keeping me away from this work. . . . In this hour I feel it is my duty before my own conscience to appeal once more to reason and common sense in Great Britain as much as elsewhere. I consider myself in a position to make this appeal since I am not the vanquished seeking favours, but the victor speaking in the name of reason. I can see no reason why this war must go on.

Hitler can hardly have expected that the British Government would pay much attention to this characteristic effusion. It was noted rather than answered by Lord Halifax a few days later. Nor was there any response from British public opinion. The whole country was united in its determination to meet the coming onslaught, however terrible it might be, and in its conviction that, whatever happened, it could never come to terms with Nazi Germany. But some neutral observers, stunned by the fall of France, seem to have thought that Britain would have been wiser to bow to a power that had proved itself invincible on the Continent if, as he had more

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than once intimated, Hitler were willing to leave the British Empire overseas more or less intact. Others, succumbing to Nazi propaganda, went so far as to assert that only British obstinacy prevented the world's return to peace and prosperity. It may be worth while, therefore, briefly to state the reasons, obvious though they may seem, why Hitler's 'offer' was unacceptable.

In the first place it is impossible to come to terms with Hitler, for coming to terms with anyone involves an exchange of promises which are expected to be kept, and in this country, whatever may be the case elsewhere, nobody expects that of Hitler's promises. He is even franker than his predecessors, the makers of the first German war on European freedom, who described solemn international engagements as 'scraps of paper'. He boasts that he only makes such pledges in order to break them when it suits his purpose. And he has been as good as his word. At every step he has taken in the aggrandisement of Germany he has promised it would be the last. Up to Munich the world was half-inclined, not perhaps to trust in his good faith, but to believe that he would be satisfied with uniting the great mass of Germans in one State. The rape of Prague destroyed that illusion. To ask the world *now* for confidence is not an appeal to common sense.

Suppose, however, that Hitler could be trusted, what is the 'new order' he wishes to bring about, what is the innocent task which war has forced him to abandon and which he asks the world in 'reason' to allow him to resume?

Hitler's new Germany represents the triumph of half-civilised men, astonishing in its completeness, over the forces and ideals by which modern civilisation has slowly been built up.* Everything is subordinated to the *Führerprinzip*, to the power of one man, who relies on the unquestioning obedience of a governing class of lesser Leaders, high and low. The idea that an individual is an 'end in himself' or has any rights

* For a fuller analysis of the Nazi system, based on German sources, see *The Issue* in THE ROUND TABLE, No 118, March 1940, p. 253, reprinted as No. 2 in the series of ROUND TABLE WAR PAMPHLETS.

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is scornfully denied: like that of some primitive savage or slave, his life belongs to his king. Naturally, therefore, all the methods by which individuals have learned in course of time to win and keep their freedom have been banned. Not a trace remains of liberty of speech or conscience, of representative government, of decisions by discussion and the vote, of collective negotiation on conditions of labour. Nor can an individual count any longer on the protection of the law. Justice must coincide with "the *interests* of the German people" as interpreted by the *Führer*. If the courts do not do their duty, the secret police will do it for them. Innumerable homes are haunted by fear of the Gestapo. Even family life has been defiled by spying and delation. And Himmler's victims can expect no mercy. The use of torture has exceeded anything that has been practised in Europe for centuries past; and men are beaten to death not only for what they have done or said or thought, but merely because of the racial family in which they were innocently born. That is the kind of government which all the youth of Germany have been taught to glory in. Fed at school with Nazi history and Nazi ethics, including the duties of race-pride and race-hate, they find, when they reach the universities, no teacher there who has not toed the Nazi line, no semblance of free thought; nothing that deserves the name of learning. And when they emerge into adult life, they move in a mist of make-believe, blanketed from the truth, drenched with lies from platform, press, and wireless.

No freedom, no justice, no mercy, no truth—that is 'the new social order', that is the 'finest possible standard of culture', which Hitler claims to be establishing. How incomparably better than this 'new order' was the old—the life of Germany forty years ago, with its honest administration, its strict justice, its real scholarship, its freedom threatened but not yet eclipsed by the shadow of Prussian militarism, its morals infected but not yet poisoned by the creed of blood and iron, a Germany whose rulers still believed in God. Is it to be wondered at if the conduct of the present-day German in war is more savage than his father's was in Belgium in 1914? The

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massacre of Rotterdam, the machine-gunning of civilians in residential streets and villages and country gardens—these are the natural fruits of the new morality. And the worst of it is that the blind, the almost mystical, obedience accorded to the *Führer* has been obtained by trading on the better as well as the more primitive instincts of the German people. How often it was said that Nazism had its good side, especially the efficiency and drive of its economic organisation and its appeal to public spirit. But the economic organisation was only made successful, unemployment was only done away with, by devoting the whole productive effort of the country to preparation for war. Hitler did not create a new and better economic system: he only put Germany on a war footing. Similarly, when the youth of Germany was asked to give itself body and soul to the service of its country, it was not in order that it might play a leading rôle in a new age of international co-operation and good will. Through all the education, the speechifying, the marching songs ran one refrain: German youth must train and brace itself for the day of trial when Germany will achieve its natural destiny, the mastery of the world. Hitler was not inspiring a new ideal of Christian duty: he was only enrolling recruits for another war.

Few observers outside Germany could fail to see the danger in this situation; but most of us, though not all—Mr. Churchill was a significant exception—vaguely believed that war would be avoided either because Hitler in the last resort would flinch from staking all he had won on a conflict in which, whatever his preparations, he could scarcely be sure of victory, or because the rigours of his *régime* would become so intolerable even to the docile German people that, before he was ready to fight, his power would be undermined from within. These hopes were a good example of 'wishful thinking', for they cancelled themselves out. The prospect of internal trouble was bound to force Hitler into war, even if he was not quite ready for it and at almost any risk. Dictators, as history shows, have always been in that dilemma. They are bound to justify their seizure of power by promising their people a millennium.

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Democratic politicians also make promises, but it is the saving virtue of democracy that, when the millennium fails to dawn, the disappointment of the people has other means of expressing itself than by tumult and rebellion: they have, indeed, to confess that it was their own fault for choosing the wrong leaders, and they proceed, by the gentle method of a general election, to turn them out and choose others who, they hope, will do better. There is no such safety-valve in a dictatorship. The one man who claims all the credit for success must bear all the blame for failure, and, if he fails, only a revolution can get rid of him. And it is clear enough now that Hitler was bound to fail unless he made a war. For in the first place his 'new order' imposed an unnatural strain on the German people which could not be endured for very long, and in the second place its economic basis was, as has been seen, the manufacture of unproductive armaments which again could not go on for ever. The bloodless triumphs of Hitler's foreign policy from 1936 onwards might temporarily ease this grim situation, but it could not radically alter it. In the summer of 1939 there were already signs that older Germans at any rate were becoming tired of 'guns instead of butter' and that the financial and economic position of the *Reich* was becoming more and more unstable. So Hitler made this war, a little sooner, perhaps, than he had intended, but not much sooner. 'He preferred war', he had told the British ambassador in an unguarded moment, 'when he was 50 to when he was 55 or 60.'*

Yet he asks the 'reason' of the world to affirm that it was Britain's war and that it is Britain's duty now to stop it. It is the old story, the old 'sickening technique', but operating now on a grander scale. The first stage of Hitler's war has been more successful than even he could have expected. It is no mere outlying provinces of the old German and Austrian Empires he has seized, it is five nations that played their part in history, one of them the leading part, before ever Germany became a nation. The very greatness of his triumph gives Hitler his obvious cue. Surely the world must believe he is

* Cmd. 6115, p. 10.

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satisfied *now*. But in truth, of course, the essence of the situation is exactly the same: the only difference is that it is vastly more dangerous to the cause of civilisation. From what has been done in the German-occupied countries and said in the German-controlled press, it is clear enough that the 'new order of Europe', which Hitler has now the power to establish if only Britain will let him, is simply the 'new order' of the *Reich* writ large. It will rest on the same principles. It is to be set up and maintained by the same methods. It will lead to the same inevitable end of war.

Thus, to begin with, the *Führerprinzip* must be applied to the new international community. "The German people", says the Berlin *Börsen-Zeitung*, "must rise to its European mission", just as Hitler and his Nazis rose to their German mission.

Only a nation in Europe that is conscious of its European responsibilities has the right to a part in historically constructive work. Hence, both France, contaminated by Judaism and an admixture of coloured blood, and plutocratic England are unentitled to lead. Secondly, only peoples which, in consequence of their size and vitality, are capable of independent action as members of the European concert have the right to responsible action. Thirdly, European leader-peoples bear the responsibility not only for their own national destiny but for the smaller peoples belonging to the same *Lebensraum*.*

Next, in order to establish this leadership, the key points of power must be seized as they were seized in Germany. Quisling Governments must be established in all the dependent countries, with the Gestapo at their elbow and a strictly regimented press behind them. Thirdly, the whole economic structure must be remoulded so as to increase as far as possible the *Führer* nation's wealth and power. Countries whose industries compete with those of Germany must abandon them and be content with the more primitive agrarian life of primary production—an interesting reversion to eighteenth-century ideas of mercantilist imperialism. Lastly, the subject peoples, like the Germans before them, must be frightened or cajoled into acquiescence with their lot by brutal

* Quoted in *The Times*, Aug. 2, 1940.

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methods of repression on the one hand and on the other by an unceasing stream of propaganda on the greatness and nobility of the 'new order' and the prosperity it is going to bring to all who share in it. So, step by step, the peoples of German Europe are to tread the same dark path which the German people have already trodden, with the same crude evangelism dinned into their ears, till it brings them to the same catastrophe.

There can be no other outcome; for the dictator's dilemma in German Europe would be even more acute than it has been in Germany. It is much harder for a tyrant, as Napoleon found to his cost, to hold down foreign peoples than his own. In Germany Hitler has been able with tragic ease to rally German patriotism to his support. Millions of Germans are willing to tolerate a government, however little they may like its methods, which has made Germany 'great' again. But the French, the Belgians, the Dutch, the Danes, the Norwegians, the Czechs, the Poles—what can Hitler offer *them* in compensation for the loss of their national freedom, the desecration of their national tradition, the affront to their national pride? He must promise them an even rosier millennium—'a land of corn and wine, a land of bread and vineyards, a land of oil olive and of honey, that ye may live and not die'—without being any better able to make good his word. For, though the economy of German Europe would be much richer and more varied than that of Germany alone, it could not prosper without free access to raw materials overseas. The *régime*, indeed, could not even feel itself secure without the certainty of obtaining some things from the outer world, particularly petrol. That is why Dr. Funk, the Nazi Minister of Economics, has already declared it to be "inadmissible that the greater German economic system should be dependent on factors which are largely outside German control".* In other words Hitler must either extend his conquests overseas—and that means another war—or Britain and other free peoples must voluntarily surrender those essential 'factors' to his 'control'—and that, surely, would be the

* Address to German and foreign journalists on July 25, reported in *The Times*, July 27, 1940.

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reductio ad absurdum of his appeal to 'common sense'. Even if the British people could be terrorised into acquiescing in the establishment of the 'new order of Europe' now, is it conceivable that they and the free peoples overseas would be willing in the coming years to help it grow from strength to strength? 'Appeasement' loses its attraction when it is unmistakably the same as suicide. Peace now, in fact, could only be a truce. Hitler would have to start on another race against time. He would have to convert his Europe, as he converted his own *Reich*, into one great arsenal, paying special attention to its numerous dockyards, in a feverish effort to attain such air power and, more decisive, such sea power as would enable him to make his second war with a reasonable assurance of winning it—and that before his European structure began to crack beneath him.

Those, briefly, are the reasons why Hitler's plea for 'reason' fails. He is asking the British people to become accomplices in his conspiracy for converting his *Reich* into a *Weltreich*, for enlarging a Nazi Germany through a Nazi Europe into a Nazi world. It is scarcely credible, indeed, that he expected a people who have been generally credited with a special dose of 'common sense' to treat his appeal to it with anything but derision. It seems more likely that the appeal was intended mainly for his own gullible folk, and that in scattering copies of it here and there over Britain he was only hoping to create some dissension and uncertainty among the British people on the eve of the blow he was planning to strike—a blow with which he would smash Britain as he had just smashed France and so attain at once, without further cost or risk, the mastery of the world. In either case the reaction is the same. With a unanimity unparalleled in all our history we shall fight on. We have beaten off the first attack. No doubt we shall have to face far sterner tests of our endurance. But we shall endure, if need be to the death. For we do not think our lives would be worth living in a Nazi world.

And it is not only the desperate need of saving everything we value in our present life that will nerve us to endure.

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We, too, are looking forward to the fruits of victory. We, too, are meaning to establish 'a new social order' in our own country—a more real, more just, better educated, more efficient democracy. We, too, desire 'a new order of Europe', but we do not seek to impose it on her. We only wish to set her free at last from the menace of Prussianism that has frightened and distracted and impoverished her for seventy years, and thus make possible a free, unhaunted discussion of the sort of life she wants to live in future. As Lord Balfour said in the last war, 'We are the immemorial champions of freedom', and for over a century we never interfered on the Continent except in aid of 'peoples rightly struggling to be free' (That is what the Nazis call 'the British hegemony of Europe'.) Similarly, for over a century, we used our command of the sea to keep its waters safe and open for the trade of all other nations as well as for our own. (That is what the Nazis call 'British piracy'.) And it is just those freedoms, political and economic, that we should like to see embodied in the post-war European system. Against a German Europe, walled off from the rest of the world, we set a Europe of Free Nations, with free access to all lands and their resources.

The time has not yet come to design the political framework of this liberated Europe. We cannot yet "survey the landscape". But two things can be said about it now. First, whatever share in the victory may be granted us, we shall never be dictators. The building of the world's peace must be the work of all its free peoples, including those now in prison. And, secondly, their work will only endure in so far as they regard their freedom as a means of service to the common weal. Maybe the fiery furnace of this second Great War was needed to burn into men's minds the knowledge that there can be no peace, still less prosperity, in a society of nations each of which insists on considering only its own interests and having its own way. Already, indeed, under the rigours of war, the old idea of national sovereignty has been relaxed in ways that were scarcely conceivable a year

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ago—the British offer to France of union, the leasing of strategic bases in the British Empire to the United States, the establishment of a joint defence board for the United States and Canada. It may be, as the war goes on, the free peoples will become still more, in Mr. Churchill's homely phrase, "mixed up together in some of their affairs for mutual and general advantage". And when the war is over, that is the road, not Hitler's, which will lead the nations in the end to a real and lasting peace.

THE STRATEGY OF THE WAR. IV

THE article in this series in the June number of the ROUND TABLE recorded the German break-through over the Albert Canal bridges near Maastricht. No one at that time expected that the next article would have to record the complete conquest and capitulation of France. We must review these stupendous events from their beginning as constituting a single astonishing campaign.

I. FRENCH PRE-WAR DOCTRINE AND PREPARATION

SINCE all the fighting forces of a country draw their spiritual and material support and maintenance from the whole nation (*pourvu que les civils tiennent*), it is impossible to assess the development of the strategic situation without taking cognisance of some political conditions which prepared the way for it.

We know now that there was a powerful and numerous group in France, not confined to any one political party, who counted heads as Marshal Pétain did in his apologia to France after defeat, and reasoned before the war that an alliance with unprepared Great Britain did not provide the necessary strength to defeat Germany. They argued, therefore, before the war, and still more after defeat, that it was possible to negotiate with Germany and to obtain tolerable terms that would be preferable to war. Memory recalls the delay, inexplicable at the time, in the French Government's declaration of war. The leaders of the great majority of Frenchmen who opposed this view found it necessary before the war to meet it by persuading the country, and even themselves, and the military advisers who were selected because they agreed, that they could wage a war of limited liability, sitting in impregnable fortifications and massacring the aggressor. It was

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this view and not the Maginot Line (so-called, although it is an area defended in depth) which, in their preparations for war and therefore in their waging of it, led the French High Command and their Staff to cast aside principles of war which cannot be infringed with impunity. Knowing that the Germans would be the aggressors, they were presented with the opportunity to fight a defensive-offensive campaign which is the strongest form of offence. But to exploit this opportunity the initial defensive period must be occupied, not with passive but with active defence, making counter-attacks with local reserves to repair breaches, and very mobile reserves must be available to provide resistance by manœuvre in depth. When the defensive period has exhausted the enemy, a strategic reserve must be available to launch a great counter-offensive in which the whole of the forces take part.

Reserves are created by utilising and strengthening favourable ground (the Maginot Line up to Montmédy only, and, north of that, defences of lesser but not negligible value) and thus economising troops in defence to make them available for manœuvre in depth and counter-attack. Reserves are also created by not being drawn into an extension of one's commitments beyond the capacity of the total forces available.

Nothing is more difficult or important during a long peace than to assess correctly the practical effect of new inventions upon the technique and method of waging war. Experiments in peace, debarred from risking life in the way it is risked in war, fail to give the desired certainty. Only keenly analytical minds, determined to discard wishful thinking and tradition, custom and vested interests, can successfully diagnose the changes and reforms that must be made in arms, equipment and organisation. The French Government and their expert advisers, obsessed by the doctrine of limited liability in war, and trying to trim their measures to appease a powerful group opposed to preparations for war, declined to consider any doctrine which suggested counter-attack and offensive. Passive defence was the rôle preached, and the only one permitted to be considered. Money was stinted for preparation for a

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war which might be avoided by negotiation. Hence the starvation of the French Air Force; hence the starvation of armoured divisions; hence the limitations on training for manœuvre in the open warfare of counter-offensive.

Just as in Russia, in Germany and in France we have seen a whole nation enslaved politically by an energetic, unscrupulous small minority capturing the machine, so the fine French Army and Air Force, so full of natural commanders, staffs and soldiers and airmen, were hamstrung by false doctrines promulgated and enforced by their Government and its selected experts. General de Gaulle explained all this to us in his broadcast reply to Marshal Pétain's apologia. France as a nation did not leap into this war with its whole heart as in 1914.

The Maginot Line proper, from Switzerland up to Montmédy only, upon which now all the blame is cast, in reality fulfilled several very important and essential tasks in the general strategy of any French plan. It barred the shortest route from Germany into the vitals of France. It stood across the group of the best railway communications coming from Coblenz, Mainz and Strasbourg, and guarding the important junctions of Metz, Thionville, Longuyon and Belfort. It was a shield to protect the mobilisation and concentration of the French armies against dislocation by a *Blitzkrieg* launched without a declaration of war. But, above all, its strength forced the Germans to discard the idea of a frontal assault upon such a position, and to turn it, thus incurring the hostility of the Belgian Army, which with 18 divisions and fortress garrisons amounted to nearly three-quarters of a million. Again, to turn the Belgian line on the Meuse the Germans added 400,000 Dutch troops to their enemies. The Maginot Line gave these allies to France.

The fact that this great increase of force was not commensurate with the additional liabilities and the extension of front which the alliance involved was due, as we shall see, to lack of skilful joint staff planning and faulty distribution of troops.

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Provided that the Maginot area was used, as intended, to fulfil the task of economising and not absorbing troops in passive defence, it would serve France well. But when it came to be considered as all-sufficient for the defence of France, making every other preparation for war redundant, then through no inherent fault of its own it exercised a fatal influence on French strategy, military doctrine and preparation.

Marshal Pétain told us that France mobilised 4,320,000 men of whom, however, not more than 2,820,000 were armed and equipped. There were 16 divisions in the First French Army trapped in the battle of the Low Countries, and he told us that only 60 divisions were available for the Somme-Aisne front in the battle of France. After subtracting from 2,820,000 the fixed garrisons, lines-of-communication troops and personnel, and the strength of the Navy and Air Force, there must still have been enough to provide more than 100 divisions for the French Field Army. Add to these 12 British, including 3 partially equipped and trained Territorial divisions, add 18 Belgian divisions and probably at least 12 Dutch divisions, and we get an Allied total of a minimum of 142 divisions, probably 150, or, to count all armed men, including fortress garrisons and lines-of-communication troops, a round total of nearly 4½ millions. With years of preparation of defensive works from Switzerland to the Zuyder Zee, with proper distribution of forces, proper handling in an active defence and manœuvre in retreat, can it be said that there was not sufficient force to provide a large strategic reserve for a great counter-offensive at the appropriate moment?

II. GERMAN PRE-WAR DOCTRINE AND PREPARATION

GERMANY, experimenting with singleness of purpose to distil the essence of the science of modern war in order to utilise all the latest inventions applied to armament and mobility, restored to war the power of the offensive which had been paralysed between 1914 and 1918 by the defensive machine-gun and barbed wire. Her armoured

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divisions have restored the former rôle of cavalry in the heyday of its dominance of the battlefield—the raiding of communications, the break-through charge, the pursuit after victory and its exploitation.

Germany worked out the solution of the problem of a rapid break-through and its exploitation to the greatest depth. For the ponderous, tedious, long preparation by artillery bombardments of the last war, so fatal to surprise, Germany substituted bombardment by dive-bombing aircraft. Officers and men who have endured the artillery bombardments of the last war and the aircraft bombing of this war unanimously agree that they prefer the latter. Aircraft bombing inflicts comparatively few casualties among troops who have even the shallowest cover, but like artillery bombardments it does keep the defenders' heads down until the tanks suddenly appear at short range. Even then, steady, experienced troops may hope to deal with tanks, or at least permit them to pass through, doing little damage, and then re-form to repulse the motorised troops following swiftly behind the tanks, expecting to pass through the gap and exploit it by spreading out fanwise behind to a great depth. Once the tanks have broken through, they look for no more hard nuts to crack but for soft spots and gaps. Preceded and accompanied by hordes of motor-cyclists to scout for them far ahead and on the flanks, they press on to raid the communications and seize centres of organisation or to attack the enemy from the rear.

The Germans selected a season when they might expect dry weather and dry ground, and their unusual good fortune on both heads was of the utmost importance for their tanks, motorised troops and supply columns.

We have not yet been told how many divisions Germany employed in the campaign of May and June. It was certainly not less than 180 and probably 200 or even more, but these divisions were of different types and value. It is understood there were 14 armoured divisions with heavy (80-ton), medium and light tanks, and motor-cyclist units, assisted by very

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efficient bridging engineers. A large number of highly trained motorised divisions of all arms followed the tanks. Then came the marching divisions of all arms, and finally, for guarding lines of communication and taking over positions won, there were divisions of troops with very short training and a very limited number of guns and auxiliary services.

For seizing key points, such as important bridges and aerodromes, parachutists were dropped ahead of the army, supported at once by troops carried by aircraft. The success of these forlorn hopes depended entirely on the speed with which armoured and motorised troops could break through to support them. They also relied greatly upon the amount of assistance to be obtained from the "Fifth Column". This organised treachery, meticulously prepared in peace, was developed to a pitch never previously attempted in war; but the possibilities of surprise in its operation in the Low Countries was somewhat weakened by the disclosure of the method in Norway.

We have already referred to the essential part played in the break-through by the dive-bombing aircraft, but we must also note the all-pervading presence of aircraft co-operating with the ground troops on the battlefield and their harassing of the communications in the rear. The infiltration of small parties of machine-gunners before the zero hour was another important contribution to success.

Thus did Germany restore to war the power of the offensive so long checked by defence; but at the same time they provided themselves with a Siegfried Line on which to pivot their striking arm.

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THE pact with Russia had relieved Germany of the liability of war on two fronts which Bismarck, at von Moltke's constant insistence, always worked to prevent. Their successors of 1914 had failed to ensure this essential strategic condition; hence the Russian victory at Gumbinnen, combined

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with the weak leadership of the nephew of the great von Moltke, dislocated the von Schlieffen plan to conquer France in 1914. But in 1940, after ostentatiously stationing a few divisions of probably inferior value on the frontier of Jugoslavia to terrorise the Balkans into quiescence, the Germans were enabled to employ the whole of the remainder of their 200 or more divisions for their great offensive in the West.

Quite briefly, their plan was to make some preliminary German and Italian threats against Switzerland to keep French troops watching the exit from the Jura mountains into the neighbourhood of Belfort, then to utilise Swiss neutrality as a shield and the Siegfried Line as far as Luxembourg as a defence, in order to economise troops, so that the maximum force could be employed in the striking arm from Luxembourg inclusive to the Zuyder Zee with the right fist leading heavily upon Holland.

They planned to draw the French and British reserves into Belgium and Holland and then to strike with their armoured weight, well supported by motorised and marching divisions, at the emasculated Allied centre. Success at the centre, quickly, vigorously, and powerfully exploited, was to give them the opportunity to divide the Northern Allied Armies from the Southern and to encircle and defeat the former. Thus there was to be a big northern victory before opening the decisive battle of France.

For the Germans it was all one battle from Geneva to the Zuyder Zee, but for the Allies it was three separate battles in watertight compartments—the battle of Holland, the battle of Belgium and the battle of France—because Holland and Belgium clung to the hope that paper pacts and piecrust promises would provide them with the protection of neutrality as defined by international law. Hence they firmly declined to break their neutrality by staff conversations and preparations for a concerted plan with Great Britain and France. There were conferences between Queen Wilhelmina and King Leopold which led to the second line of Dutch defence (the Grebbe line) being extended southwards behind the Maas to the Belgian frontier.

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The strategical blunder was frankly planned, namely, that in the next phase of their resistance Holland and Belgium should part company by a divergent Dutch retreat north-westwards behind the main inundations running in a semi-circle southwards from the Zuyder Zee, east of Utrecht, to the three rivers, Lek, Waal and Maas, and curving round north of Breda.* The Dutch hoped that by a passive defence behind this third line they would preserve all the essential part of Holland, their naval base at Helder, their rich and prosperous cities of Amsterdam, Utrecht, Rotterdam and its harbour, and their capital at The Hague.

Anticipating this separation, Belgium prepared a watertight compartment from the Meuse at Maastricht along the Albert Canal and thence to the Schelde north of Antwerp, hoping thus to check the further progress of invasion from the north. To meet invasion from the east the Belgians prepared a main line of resistance from Maastricht to the fortress of Liège, thence along the Meuse to the fortress of Namur and, still following the Meuse, to meet the French line at Givet. East of that line they sent a mobile delaying force to their frontier to carry out a big demolition plan which was to be completed by the destruction of the bridges over the Meuse. Realising, however, the length of the large loop from Antwerp to Maastricht, Liège, Namur, the Belgians prepared a line of defence along the naturally strong chord of the loop from Namur to Antwerp, protecting Brussels. Here at least it was hoped that a real stand could be made.

Both Holland and Belgium, though relying, in spite of Germany's record, upon neutrality and international law and decency, nevertheless felt confident that a last-minute S.O.S. to France and Great Britain would bring them strong reinforcements in time. They relied upon those countries to extend their front and move their reserves to the north, as Germany designed they should.

Had there been pre-war staff consultations between the four

* Compare Blücher's retreat after defeat at Quatre Bras in a direction which enabled him to join Wellington at Waterloo.

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Allies, a completely objective study of the strategical problem, which includes strengths and lengths of front, should have disclosed that the Dutch would best preserve the valuable part of their country by abandoning it untouched to the Germans and retreating south of the Maas and thence behind the Albert Canal. If that did not provide the Belgians with sufficient strength to defend their Givet-Namur-Antwerp line, then they also, with the Dutch, could make a fighting retreat to the Franco-British line from Givet, Valenciennes, Lille to Dunkirk.

The staff conversations, which before the war proceeded continuously between France and England, obviously foresaw the S.O.S. calls that would come from Holland and Belgium; otherwise they would not have been complied with, as they were, within twenty minutes. Did the Franco-British strategists advise their Governments that, although politically it was most desirable to let it be known to the world that the causes of Holland and Belgium were also ours, strategically a guarantee to send our forces into their countries was thoroughly unsound and just what the Germans wanted? If the suggestion had been made to Holland and Belgium that their forces should abandon their countries and retreat into France, they would probably have declined to fight, and, like Denmark, have permitted passage to the German Army. Even so, we know now that we should have been in a better position starting to fight on the French northern frontier from Dunkirk to Mézières, and thence along the Meuse to Montmédy, without Belgians and Dutch. Reserves would not have been in Belgium, but available to meet the thrust between Sedan and Givet. The crossing at Dinant would have been not behind but in front of French forces. If driven from the Montmédy-Dunkirk line after exacting a heavy price, an ordered retreat would have been practicable, pivoting on the inviolate Maginot Line at Montmédy, and thence along the Aisne and Somme to Abbeville, where Weygand would not have had to fight without 16 French and 9 British divisions. There would have been hope of accumulating a strategic reserve with which to launch a powerful counter-offensive at the appropriate moment. If,

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contrary to all probability, the Dutch and Belgians had accepted our advice to leave their countries untouched and bring all their forces into France, victory must have been ours. Of course this is wisdom after the event, but when studying the strategy of past events one must use the wisdom so easily acquired. It is a lesson for statesmen, soldiers, sailors and airmen, that in war a nation cannot afford to flout strategy. It is a lesson on the necessity of assessing a proper value to all considerations and not allowing matters which are irrelevant to the right strategical course to interfere with it.

It would have been possible to make known beforehand to Holland and Belgium that, while their cause was ours, and post-war restoration guaranteed, we should expect their forces to retire into France without our assistance, preferably fighting all the way, but, if they wished to save their country from the devastation of war, retreating as swiftly as possible.

Because the first-class rail and road communications from Germany led (1) to the sector Namur-Liège-Maastricht in the north, and (2) to the sector south of Montmédy guarded by the impregnable Maginot Line, Gamelin assumed that the intervening sector between Montmédy and Namur was sufficiently protected against large armies by inadequate rail communications, by the Meuse, and by the difficult country immediately west of the Meuse, and that therefore he could thin out this sector, guard it with inferior, insufficiently trained troops and, worse still, not provide reserves capable of reaching it in sufficient strength and in time. By economy of troops in this sector he provided the French and British reserves which hurried to the assistance of Belgium. Although the railway approaches to the Montmédy-Namur sector are poor, nevertheless in 1914 a strong German army delivered an exactly similar thrust upon the Mézières-Namur sector, which caused Lanrezac's Fifth French Army near Charleroi and the British at Mons to retreat very hurriedly and only just in time. In 1940 the mechanised German Army and its motor transport could make good the deficiencies of the railways by

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using the roads, while the woods of the Ardennes concealed the strength of their advance.

Although the Meuse and the country alongside it presented a formidable obstacle if the bridges had been destroyed, it is a well-known military principle that "an obstacle is not an obstacle unless it is under fire". Without adequate troops and reserves to defend this sector, and failing the destruction of the bridges, the obstacle did not suffice to prevent an enterprising, well-trained enemy rapidly exploiting every success gained, thus breaking through with 8 armoured divisions, followed immediately by 8 motorised divisions of all arms, in due course supported by marching divisions of all arms making long marches.

We have briefly explained the essence of the strategy of the rival pre-war plans. As Napoleon said: *Dans la guerre tout est simple*. To draw the Allied reserves into the Low Countries and then to strike hard at an obviously weak centre; to exploit the break-through with the utmost speed and thus encircle the northern force. That was the German recipe for conquest. The Allied plan failed to meet it with an equally simple application of the laws of strategy.

IV. A STRATEGICAL OUTLINE OF THE BATTLE OF THE LOW COUNTRIES

IT is not within the purpose of this article to attempt to anticipate historians who with the archives of the belligerents at their disposal will tell the whole story of the operations in the recent conquest of the Low Countries and France. Our purpose is only to draw attention to the principal strategical features of this campaign.

At dawn on May 10, 1940, Hitler put down his stake for European domination, and unleashed all the German forces prepared and trained for seven years by the united work of the whole German nation devoted to this single purpose to the exclusion of all others.

Pivoting on the Siegfried Line at a point near the junction

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of the southern boundary of Luxembourg with those of Germany and France, the whole German line up to the north of the Dutch frontier started to wheel to the left, with the right flank strong and moving fastest in an encircling manoeuvre to roll up the Allied line from its left and thus draw reserves to the north before striking at the weakened centre. The first force of the blow, therefore, fell on Holland, but within three days Belgium was fighting for its life on the Meuse. Luxembourg was only a paper screen through which the German Army passed in its approach to the weakest sector of the Allied line.

The Germans are believed to have employed about 80 divisions of all types in the battle of the Low Countries against, say, 12 Dutch, 18 Belgian, 9 British and 16 French (total 55), but they were defeated in turn. The Dutch were overwhelmed in five days without substantial reinforcements reaching them. The Belgians had been severely mauled before the British and French were in line.

By the evening of May 13 not only the first Dutch line (the Yssel) but also the second line (the Grebbe) were broken, and the Dutch were in full retreat divergently, as already explained, to get behind their inundations. On the same day, the 13th, the Germans had an important strategical success in crossing by one of the two bridges over the Albert Canal near Maastricht. Next day the gallant R.A.F. sacrificed some devoted crews in a glorious and successful demolition of this vital bridge, but in the meantime the Germans had established the necessary bridgehead to enable them to throw several more bridges over the Meuse and Albert Canal and to pour motorised reinforcements through the gap. This manoeuvre at one stroke turned the flank of the eastern Belgian defences on the Meuse and also of their northern defence line on the Albert Canal, compelling a rapid retreat from the Meuse-Canal loop to its chord defence line, Namur-Antwerp, east of Brussels. The Liège fortress, however, continued for four more days to fulfil its function of denying to the Germans the use of the nodal junction of rail and road communications within its circle, and thus helped

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to reduce the number of Germans advancing. The fortress of Namur likewise exercised a similar valuable function for a few days after it was isolated.

It was on the chord line from Namur to Antwerp, east of Brussels, that the B.E.F. joined the Belgians while the French made a junction with their right. The Germans did not attempt to delay the arrival of the B.E.F. or French by action from the air, because they were going where the Germans wanted them.

In the meantime, on the evening of the 14th, after their small but efficient air force had fought itself to extinction, and their Army, driven from its third and last line, had suffered about 20 per cent. casualties, the Dutch ceased fighting, except in the area south of the Maas where they continued the battle for some days alongside French and Belgians. The British Navy and Air Force had co-operated with them and a few British battalions had landed in Holland, but re-embarked almost at once. French motorised forces, and other troops, landed at Flushing, had also made an attempt to reinforce the Dutch, but were forestalled by German armoured forces in the race for the Moerdijk bridge over the Maas which gives access to Rotterdam via Dordrecht, the only connection between south Holland and north Brabant.

The Germans had advanced steadily westwards, their armoured divisions south, and other troops north, of the three rivers, breaking all lines of defence. But it was the seizure of the Moerdijk bridge which ensured their victory. In this exploit they were helped by Fifth Columnists in Dutch uniforms treacherously concealed in barges near the bridge. At The Hague and at Rotterdam German parachutists and air-borne troops fought desperately, with severe losses, against the Dutch reserve corps and other details, in attempts to capture the Royal family, the Government and the Army's G.H.Q., and also to seize aerodromes, notably Waalhaven, and the docks.

It was on the 14th, when the Dutch Air Force had ceased to exist, that the Germans committed one of the worst of their typical acts of 'frightfulness'. Within three hours, by inten-

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sive bombing from the air, they obliterated two square miles of defenceless Rotterdam, so that not one wall remained erect within that area. The casualties are said to have been 30,000 killed and 80,000 injured, nearly all civilians. On May 15, the sixth day of *Blitzkrieg*, Germany completed the occupation of Holland. Queen Wilhelmina and her Government had escaped to England to carry on the struggle from there, and to place at the disposal of the Allies their large and efficient mercantile marine and the great resources of their rich Colonial Empire. Germany had closed her Dutch window to the world.

In Belgium, meantime, the Germans were moving up to engage the Allies on the Namur-Antwerp line, but for a short spell there appeared to be less pressure in their advance. They did not want the Allies to retreat in Belgium. The main German blow was about to fall on the sector between Dinant and Sedan, both inclusive, to open a gap through which large forces could pour to cut off the Allies in the north from the French in the south.

On May 15 the Germans had an important success at Sedan, driving a salient across the Meuse. The next day, May 16, the decisive blow was struck by 8 German armoured divisions, immediately followed by 8 motorised divisions of all arms, and behind them marching divisions pressing on. The bridges over the Meuse had not been destroyed. (Although in this war one is inclined to suspect treachery as the cause, if space permitted many other causes could be given for the failure to destroy bridges.) So a broad gap was created in the Allied line along the Meuse from Dinant to Sedan. Only instant vigorous counter-attack by strong reserves could possibly restore the situation and inflict disaster on the enemy. The counter-attacks were neither instant nor strong. There were some feeble and very belated reactions, and then confusion, as the German armoured and motorised columns exploited the break-through fanwise in the French rear. In this situation the French Army, though it had started badly, displayed its well-known martial qualities. Although surprised and thrown

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into disorder it fought hard in what were termed *mêlée* battles.

The German success on the 16th had compelled instant retreat by the Allies from the strong Namur-Antwerp line. By the evening of May 18 the Allied line ran from Antwerp *west* of Brussels to Maubeuge, thence to Avesnes and Vervins, and weakly up to Rethel on the Aisne. From there it was held in strength to Montmédy on the comforting and stable Maginot Line.

From May 16 to 18 all men looked towards French G.Q.G. Did the Allies possess the C. in C. who could restore the situation and turn it into disaster for the enemy as Joffre did at the Marne, as Foch did in April 1918? It was one of those occasions in war when one man counts more than all the other men engaged. It was a moment for big decisions, for rapid reshuffling of the forces by the supreme C. in C. The enemy's situation was precarious if a strong counter-attack launched from Rethel could sweep up the left bank of the Meuse. We do not know what reserves Gamelin had or where they were. Whatever and wherever they were, they did not appear at the critical sector. If it was impossible to restore the situation between Rethel and Hirson at once, then the only alternative was a decision which should have been made not later than the evening of May 16 to order a rapid unceasing withdrawal towards Vervins-Arras and thence to Laon-Abbeville of all the Allied forces, French, British, Belgian, north of Vervins. Would the Belgians have retreated beyond the frontier of their country? Almost certainly not. Rather would King Leopold have capitulated as he did later. But 16 French divisions in comparatively good order and 9 British divisions, the latter not yet disturbed, would have retreated on routes which would have brought them on to the flank of the still weak spear-head of the German force thrusting northward and westward. It would have countered the German scheme to encircle the forces north of their break-through.

It is remarkable how history repeats itself. Gamelin and the British under him were faced with the same problem as

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Joffre and French in 1914 and as Haig and Pétain, and subsequently Foch, in 1918. Should the Channel ports be abandoned in order to preserve cohesion in the Allied line, however far it might retreat to the south?

The Germans also, in exploiting their successful breakthrough, were about to follow the plan which Ludendorff's Staff had worked out for him before March 1918 but to which he did not adhere, namely, to exploit the breakthrough by turning northwards to encircle and attack the northern armies (in 1918 entirely British).

Joffre, in August 1914, never for one instant contemplated splitting his force to protect the Channel ports, and the British C. in C. entirely concurred with him, with suppressed regrets, and to the surprise of von Kluck, who manœuvred on the assumption that the British would retreat to the Channel ports. Joffre retired his whole force just in time and very rapidly, to reshuffle it and take the counter-offensive later on the Marne; but, although Joffre had no Dutch troops to delay the Germans for five days, and there were only 6 untrained Belgian divisions, commanded however by a King who was a first-class general with an unconquerable personality, yet Joffre was more fortunate than Gamelin, in that his forces had not crossed the Sambre when the Germans struck his flank at Dinant and appeared also in overwhelming force on his extreme left, just as they did in May of this year.

In March and April 1918 the question again arose of holding on to the Channel ports or retiring in touch with the French to fight the decisive battle farther south covering Paris, but at that time it was complicated by the colossal accumulation of munitions and supplies in the British bases established entirely in the Channel ports. Pétain had assured Haig he would move his reserves to his assistance if the weight of the German offensive fell on the British, and Haig had given a reciprocal guarantee, but when the blow fell no French reserves arrived to help Gough's hard-pressed Fifth Army. Instead Pétain made a divergent retreat to cover Paris. Foch took over and was asked whether he would hold the Channel ports or cover

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Paris. "Both", he replied, and ordered Pétain to move his reserves to mend the line, but he had just enough troops with which to do it.

When the same problem was put to Gamelin on, say the afternoon of May 16, 1940, it was not complicated by British bases at the Channel ports. In the light of 1918 experience, those bases had been established well to the south.

We must wait for the historian to tell us about the complete disposition of all the Allied forces, about such reserves as may or may not have existed on the afternoon of May 16, and about General Gamelin's conception of the problem and his reasons for what he did or did not do. We know now, however, that on May 16 he was faced with the alternatives either of taking energetic measures to restore the situation if he had the power, or of starting an ordered but rapid and continuous retreat out of Belgium to the Somme-Aisne line. And we know that neither of those things was done.

On May 17 the Germans, exploiting vigorously, had widened and deepened the bulge in the northern French line, and the Allied retreat in Belgium admitted the enemy to Brussels.

The British Prime Minister was on that day in conference with the French Government in Paris. Their fighting Premier, M. Reynaud, made decisive changes announced on the 18th. He took over the direction of the War Office himself, dismissed Gamelin and cabled to Weygand, aged 73 but still vigorous, as he was about to prove, to return from Syria by aeroplane to take over supreme command. Weygand had been Foch's right-hand man when he took over a lost battle and restored the situation. Could he do it again? On arrival on the 19th in Paris he must have noted with a wry face the difference in the resources available and in the situation and morale of the enemy.

But Weygand's appointment was not the principal appointment made by M. Reynaud. In his search for a personality of high reputation to support his drastic actions and his will to conquer, he unfortunately turned to the 84-year-old

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Marshal Pétain whom he made Vice-Premier. Had M. Reynaud not read Joffre's memoirs in which he relates how he found it necessary to remove Pétain from the defence of Verdun in 1916 because he wished to abandon the forts on the right bank of the Meuse? Did M. Reynaud not know Pétain's record in the crisis of March and April 1918 which has just been related? Was he the victim of subtle advice from some person working for a defeatist policy? In any case he must soon have bitterly regretted his choice of a colleague.

Let us return to the battle where Weygand was repeating Foch's clarion call, *Tout le monde à la bataille*. At that moment the Germans were pressing forward, with motor cyclist scouts leading, to enable the commander of the armoured divisions to exploit the gap between Arras and Péronne; the bulge was filling rapidly with motorised and marching German divisions of all arms.

When a salient is formed, it is like a nut between nut-crackers. Is there enough power in the leverage of the crackers to smash the nut, or is it so tightly packed with explosive that it will shatter the crackers? Onlookers asked this question and waited eagerly for simultaneous Allied counter-offensives in the north and south to close the Peronne-Arras gap and smash the German nut. The Maginot Line covered the best railway routes into France from the east. The fortresses of Liège and Namur, and Belgian demolitions, and the French hold on the important railway junction of Valenciennes had hampered the advance and supply of German forces from the north and north-east. Could German organisation of motor convoys make the roads in the central sector, now so dry and hard in perfect weather, serve large enough German forces with petrol and ammunition and food to make the bulge a well-packed nut?

On two occasions plans were made for the crackers to crush the German nut, or at any rate to close the gap and reform the Allied line, but only the earlier plan resulted in action.

The situation on May 19 was that the B.E.F. was holding the Escaut Canal on a front of 75 miles with 7 divisions and

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2 in reserve. On their left were the Belgians, and on their right the First French Army, trying to reorganise after *mêlée* battles. In the neighbourhood of Arras the right flank of the Allied forces was being stoutly defended by improvised British forces from three partly trained Territorial divisions without artillery. The German plan was to attack the Allies on their left Belgian flank and their right British flank at Arras, but not to press attacks too vigorously on the Allied front.

On May 20 General Ironside met General Billotte, commanding Allied forces in the north, and General Gort. It was arranged that the 2 British reserve divisions, supported by French divisions on their left, and mechanised French cavalry on their right, should attack south of Arras at 2 p.m. next day, the 21st. The British divisions and French mechanised units attacked as arranged, but the French were unable to co-operate on the left as they had not reorganised in time. There was not enough weight in the blow, and there was too much German stuffing in the nut, so much so that by the evening of the 23rd the Germans had nearly encircled the 2 British divisions which were skilfully withdrawn that night.

The next plan for closing the gap was made by General Weygand who flew to General Billotte's Headquarters on May 22 to arrange for an attack by the B.E.F. and the French First Army from the neighbourhood of Douai and Valenciennes and another from the south starting from Roye to join hands with the northerners.

Obviously General Gamelin before relinquishing command had not issued orders for a rapid retreat of all forces out of Belgium and northern France; in fact his last general orders to the northern armies were to fight to the death where they stood. The change of supreme command probably caused a hiatus of at least 24 hours. A further complication was caused by the death of General Billotte, on May 23. He was succeeded by General Blanchard. General Weygand on taking over had to become acquainted with the situation. He evidently hoped to close the gap without retreat in the north, and so the Belgian and British fronts were stationary from the 19th

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till the morning of the 25th, during which time the Germans were filling the gap and pouring through the gap towards Boulogne and Calais and towards Amiens and Abbeville, while attacking between Montmédy and Rethel to guard their flank. The fate of the northern armies now depended on the Weygand plan which was to be put into action on the 25th, but the 2 British divisions that were to take part had been fighting hard and marching from the 20th to the morning of the 24th. Gort said they could not attack before the 26th.

On the 25th the Germans struck the Belgian Army hard and drove it back exposing the left flank of the British. Gort rushed his 2 reserve divisions to his left to save the situation there. Without them the First French Army declined to attack south, and the offensive north from Roye did not start either. The Weygand combined offensive from north and south to close the gap never took place, and the fate of the Allied northern armies was sealed.

From that moment Weygand bent all his energies to strengthening a line from Montmédy through Rethel to the Somme down to its estuary at Abbeville, on which French troops had established themselves from May 22 onwards, the shortest defence line across France. His southern armies worked feverishly to organise the defence of this line in depth, with guns in successive échelons from the front line to stop the German tanks. The French Army showed what it could do in rapid redistribution of its forces and in organising and constructing defences in depth under a capable commander.

If the northern armies could not rejoin the southern how long could they gain time for them by holding out in the north? Alternatively could they hack their way out to the coast, to Boulogne, Calais, and Dunkirk?

On May 24 Boulogne was captured and on May 27 Calais fell, after heroic defence at both places by the small improvised garrisons. Dunkirk remained the only outlet to the sea, the only base for the supply of the armies in the north, who had retreated to the line of the Lys and Schelde.

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V. THE EVACUATION OF DUNKIRK

BEFORE dawn on May 28 the Belgian Army, excepting about 30,000 gallant men of all ranks, laid down their arms on the orders of King Leopold. The issue was now plain and fearful. Could the corridor to Dunkirk between powerful German forces be defended and kept open long enough for the B.E.F. and the French First Army to pass down it? Could such huge numbers be embarked at Dunkirk in spite of the attacks of the German Air Force, and the pressure of the German Army on the rearguard?

The Prime Minister has told us that those best informed considered we must steel ourselves to bear the capture or destruction of the whole B.E.F. and First French Army. But, as we all know, by the skill, discipline, endurance and gallant fighting of the Army; by sending into action the whole of our Air Force available in England which by its usual skill and daring definitely defeated the German Air Force, inflicting great losses on it, so that the dominance of the air over Dunkirk was secured; by a wonderful improvisation by the Royal Navy, assisted by the French Navy and backed by the British seafaring public acting as privateers in penny steamers, lifeboats and private yachts, running apparently fearful risks from a hail of bombs (fortunately not so damaging as it looked), 335,000 of the B.E.F. (almost the whole of it, less 30,000 battle casualties), but unfortunately only about 120,000 of the French First Army, were embarked and carried to British or French ports. The Germans claimed 330,000 prisoners, excluding Dutch. The loss of vessels considering the severe and sustained bombing was miraculously small—6 British destroyers, 7 French destroyers, and 24 small craft, out of 1,500 vessels employed in the evacuation for 6 days from May 30 to June 4 inclusive.

It was a triumph of co-operation between the Navy, Army and Air Force, and a striking proof of the necessity for all three services and for their co-operation, if victory is to be won in this war. It showed also that the ultimate decision is

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obtained on land. It was the absence of sufficient armies and the failure of their supreme command which necessitated the evacuation.

The operation also cast the searchlight of a practical large-scale demonstration upon the controversy over aircraft versus ships supported by aircraft and upon the kindred problem of invasion by sea. The conditions at Dunkirk were exactly opposite to those prevailing in the Skagerrak when the Germans invaded Norway by sea. In Norway we could secure no bases for our Air Force to co-operate with the Navy and to make it possible for the Army to capture aerodromes and naval bases. Bases in England for Navy and Air Force were too far away to permit the development of sufficient sea power and air power in the Skagerrak.

The comparatively small loss of vessels at Dunkirk demonstrates, however, that an air force can make only a very limited contribution to the destruction of sea-borne forces invading this country supported by the enemy's air force. On the other hand an air force can do, as ours has been doing, a very great deal to find, report, and then disorganise by bombing, the preparations in harbours, canals, and estuaries of vessels for invasion by sea, and the accumulation of aircraft in aerodromes.

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THE relief at this wonderful escape, coming after the dread of great disaster, almost created the illusion of a victory. But the Prime Minister reminded us that wars are not won by evacuations, and he emphasised the great strain thrown upon our Ministry of Supply to make good the entire loss of guns (over 1,000), munitions, equipment, vehicles and supplies. The B.E.F. had embarked at Dunkirk with nothing but their rifles and some Bren guns and the clothes they wore. This was a very serious matter seeing that the bottle neck in the growth and training of our Army was the supply of arms and equipment. But from that moment there came a splendid and

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sustained response from all the workers in the armament factories to the inspiring appeal made to them by the Minister of Supply (Mr. Morrison), the Minister of Labour (Mr. Bevin), and the Minister of Aircraft Production (Lord Beaverbrook). In the few weeks which have elapsed since the evacuation at Dunkirk they have already wiped out the losses then incurred and are fast catching up with further demands.

The most valuable asset salvaged from the wreck of the Battle of the Low Countries was the personnel of the B.E.F. Most of our experienced and best-trained soldiers of all ranks were in that force. Every member of it is now a well-trained and battle-tested soldier. They are an invaluable leaven for the large army which we are rapidly creating. Many of the returned B.E.F. in all ranks have been drafted off to provide the necessary experience and knowledge to raise the standard of training in other divisions at home now ready for battle. The B.E.F. units themselves have been brought up to full strength by less well-trained personnel, who almost at once pick up from their seasoned comrades the same standard of efficiency.

But while we note the value of what we have saved from the wreck, we must not overlook the effects of a great disaster for the Allies and a great victory for the enemy. All the nations of the world had been waiting for a sign. The vast majority earnestly desire our victory, but only the very strongest can afford the luxury of sentiment; the lesser ones must ensure that they are found upon the winning side. All were inclined to take this Battle of the Low Countries as the sign they were waiting for. Italy put in hand her final preparations for coming into the war on Germany's side. Spain changed neutrality into that new attitude discovered by the diplomats, "non-belligerency". King Carol of Rumania replaced his pro-ally ministers by representatives of the Iron Guard. Hungary and Bulgaria began to press their claims against Rumania. In the United States, on the other hand, there was a marked reaction towards helping the Allies.

For Germany the results of victory in the north were

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impressive. Between May 10 and June 4 at least 40 Allied divisions had been struck out of the battle line, and 12 British divisions incapacitated from taking part in the forthcoming "Battle of France"—a fact that must be kept in mind when we come to the account of that decisive battle. The war booty captured in guns, vehicles, equipment, munitions and food supplies was enormous and of great value to Germany. But above all Germany had now firmly established herself on the Dutch, Belgian and Channel coasts. From Trondheim to Boulogne Germany was in possession of all the numerous harbours, estuaries and canals furnishing naval, submarine and seaplane bases, and numerous sites for aerodromes behind them. For centuries Great Britain has fought successfully to prevent a powerful aggressive nation maintaining itself in that position, and we shall continue to fight to oust Germany from it.

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HITLER believes in doing one thing at a time. He had broken into the Western Front, knocked out two Allies, and temporarily removed a third from the battle; but the exploitation of the break-through could not be regarded as complete so long as France remained unconquered. The German General Staff does not believe in sudden improvisations, certainly not for such a stupendous undertaking as the invasion of England and the destruction of the British Empire, which from the beginning has been their ultimate objective. That was to be reserved until France had been conquered.

After the employment of 80 German divisions in continuous fighting for 26 days, in which considerable casualties were incurred, especially among aircraft and tanks, it was generally considered that the Germans would need a week or two to reorganise, particularly for the replacement and overhaul of their tanks and motor transport. No doubt a great

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deal of this had to be done, but there were at least 6 other German armoured divisions available and a large number of other types of divisions which had been pouring into France. Their maintenance of mechanical vehicles was extremely efficient, so that the armoured divisions already engaged were able to continue action, but at half strength due to casualties. Using mainly fresh divisions for the opening stages of the new battle, they were able to give a few days' respite to many of those already engaged before throwing them into the later and decisive stages. Thus it was that, true to the principles of *Blitzkrieg*, the Germans opened the Battle of France on June 5, the day after the completion of the evacuation of Dunkirk.

As already explained, from the day of the break-through on the Meuse (May 16) until the opening of this new battle (June 5), the French had been building up a defensive zone in depth from the hinge at Montmédy (the extreme north of the real Maginot Line) to Rethel on the Aisne, and thence along the line known as the Aisne-Somme front through Péronne, Amiens, Abbeville, upon which Marshal Pétain tells us they had 60 French divisions. Only the equivalent of 3 British divisions fought in the Battle of France; others were despatched (notably the Canadians), but arrived only in time to re-embark. The British Government had decided that, in spite of the enemy having reached the Channel ports, the right strategy was to send the maximum support to France in this decisive battle; but we had few divisions fully equipped and trained after the original B.E.F. had lost all its equipment. Our magnificent Air Force, however, rendered wonderful service to the French Army in the great battle, service which was much appreciated. The Prime Minister has told us, however, that he could not agree to the whole of the R.A.F. being involved. It was considered that the home defence portion of the R.A.F. must remain on guard.

Under Weygand's energetic drive and sound orders for plenty of depth in the defence, a great deal of work was done in two and a half weeks. Defence in depth has always been an

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accepted principle of war, but as the range and mobility of weapons increases, so must the depth be deepened.

By June 2 the French, counter-attacking, had wiped out three of the four bridgeheads that the Germans had established south of the lower Somme.

The German attack on June 5 began with 20 divisions on their extreme right with a view to crossing the Somme. Next day 20 more divisions attempted to cross the Aisne east and west of Soissons. The right attack was destined for the envelopment of Paris on the west, the Soissons attack to converge upon Paris from the north-east. On June 8, 20 more divisions were added to each attack, making a total of 80 divisions attacking towards Paris; and 4,000 tanks were said to be engaged, preceded and supported by the now familiar dive-bombing attacks of aircraft.

For three days the issue seemed to be in doubt, the French were fighting hard and digesting German attacks within the depth of their defence, but on June 8 there was an ominous retirement on the French left from the Somme to the Bresle. By this retirement, as the sea coast extends westward towards Havre and Cherbourg, the French had lost the shortest line to the sea at Abbeville and the Germans had gained room for envelopment on the west which they exploited.

It was about this time that M. Reynaud made his great fighting speech. The French, he said, would fight in front of Paris, if necessary they would evacuate Paris, and fight behind it, they would fight on the Loire, if driven from that they would shut themselves up in a Province, and as a last resort the Government would go to North Africa and carry on the war from the French Empire. Brave words which he obviously meant to fulfil.

It was on June 9 that the Germans launched their last reserves and brought into action every division, every tank, every aeroplane they could assemble. The axis of this decisive attack was from Rethel towards Châlons-sur-Marne. It was designed to penetrate the French centre and fold back French forces east of the break-through on to the back of the Maginot

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Line (as it did), which would thus be surrounded (as it was). At the same time French forces west of the break-through would be folded back to the east of Paris which would be completely encircled in combination with the Germans advancing from Soissons and those advancing west of Paris. No French forces were, however, caught in Paris. Weygand was hard put to it to find reserves to stem this great onslaught. He had no strategic reserve available for a great counter-attack. The moment had come, or rather it had passed, to create reserves by a rapid evacuation of the salient of the sacred Maginot Line—Mulhouse, Strasbourg, Hagenu, Montmédy—in order to fall back upon the much shorter chord line of the old fortifications of the last war—Mulhouse, Epinal, Nancy, Metz, Verdun. A partial withdrawal of garrisons from the Maginot Line appears to have been attempted. Probably few mobile troops complete with transport and mobile artillery were available from the Maginot area. At any rate the Germans did not give time for this big withdrawal to be made, nor time for any French reserves that could be collected to stop them smashing the French centre. By June 15 they had captured the famous Verdun. *On a passé enfin.*

On June 10 their advance troops were across the lower Seine west of Paris and simultaneously on June 12 they had crossed the Marne at Château Thierry. On the 14th they entered an evacuated Paris. The French line of battle was smashed into bits, once more groups of armies were fighting *mêlée* battles, and German armoured divisions rushing through the gaps, followed by motorised divisions, were exploiting rapidly to a great depth. The Battle of France was irretrievably lost.

Speaking generally the French Army was now broken into seven groups resisting bravely. (1) A group in Alsace, (2) a group west of the Vosges trying to cut its way southwards, (3) the Armies of Champagne outflanked on either side and trying to break through towards Dijon, (4) a large group of the troops who had been fighting round Paris, retreating to the middle Loire and hoping to make a stand there, (5) forces

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which had fought west of Paris retreating to the lower Loire to stand there, (6) forces retreating westwards into Brittany towards Brest and Lorient, and (7) the French Alpine Army. Weygand working with one telephone from a provincial hotel was trying to form a line along the Loire. The nearest comparatively short line was farther south from La Rochelle to the Swiss frontier near Geneva. Everywhere the retiring troops, as in the Battle of the Low Countries, were hampered by crowds of refugees. The Germans, on the other hand, from the very beginning of their invasion, had never allowed themselves to be hampered by refugees. In their horrible way they simply shot them down and drove over them.

By June 16 there was only one possible chance for France to shorten her period of slavery. To carry out the programme of Reynaud's fighting speech. For this there would have to be a ceaseless day and night retreat of the armies on the middle and lower Loire (if they could shake off refugees) to the country round Toulon where the Alpine Army would join them, and a similar retreat westwards for the French troops in Brittany to Brest and Lorient or other parts of the coast. Finally, a repetition of the Dunkirk evacuation from the western and the southern ports to Algiers and Oran, preceded by the French Government. The other groups of troops would have to resist as long as possible and then capitulate.

A French Government in North Africa with sufficient troops rescued from France, added to the normal garrisons of French Morocco, Algiers and Tunis, the British garrison in Egypt and Palestine, and the large French force in Syria would present a new and exceedingly unpleasant problem to Germany and her new ally, Italy, who had become a belligerent on June 10. And for the wider issues of the war, though the territory and civil population of France would have been lost, the French Government and Empire would remain in action, still supported by the Governments of the British Empire with all their strength. The waters of the Mediterranean and the Channel, dominated by British and French navies and

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supported by air forces, would halt the Dictators' armies. Time would be gained before hostilities could be renewed, time in which British forces on land and in the air would be increasing daily at a great rate. The vision of a short war so earnestly desired by Germany, so absolutely vital to Italy, would vanish.

The British Government did their utmost to persuade the French to take this course. They made the most astounding offer in our history, an offer of complete union between the two nations under a joint War Cabinet, every Frenchman to be a British subject and every Briton a French subject. But on June 16 it was rejected by the French Cabinet by 14 votes to 10. By a majority of only 4 votes it was decided that the great French nation should abandon the fight for freedom. On June 16 President Lebrun called upon Marshal Pétain to form a Government. That evening the Marshal broadcast to the French the fatal words, *Il faut cesser le combat*, surrendering before he had even inquired from the enemy what were their terms for an armistice. On June 22 the Armistice with Germany was signed in Foch's railway coach at Compiègne and that with Italy at Rome on June 24. Since it involved the disarmament of France, the capitulation was complete. The other terms could have no real validity. Hitler and Mussolini will do what they like when they like with all French interests and possessions. The only hope for France, and for Italy too, in the long run, lies in the British victory which the French surrender has postponed but not prevented.

VIII. THE FRENCH FLEET

AS soon as it was obvious that the French were about to capitulate the thought that leaped to the mind of every Briton was "What will become of the French Fleet?" There was a clause in the Armistice which the French Government seemed to think could satisfy their conscience, but the British Government and people knew that the only guarantee was

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British possession or disablement of the French Fleet. It was earnestly hoped that our comrades-in-arms in the fine French Navy would be willing to render us a last service by helping us in this matter. In our home ports and at Alexandria this fortunately proved to be the case. A large number of vessels of the French Navy passed under our control under sad but peaceful conditions, with mutual regrets at the necessity. But at Oran especially, and afterwards at Casablanca and Dakar, the French naval commanders could not bring themselves to hand over their ships under any of the honourable alternatives offered to them. It is not for us to criticise their action in the painful dilemma in which their Government had placed them. Scarcely less painful was the duty imposed on the British commanders. They did their best to obtain a bloodless solution, but at Oran a fierce but short naval action had to be fought on which we need not dwell. For a study of the strategic situation all we need record is the results of the action taken simultaneously at most of the ports concerned, on July 3, followed by two subsequent moves at Casablanca and Dakar.

If we consider the two large battleships damaged and aground in West African harbours and the aircraft carrier and destroyer blockaded at Martinique as out of service for the duration of the war, then the total number of French naval vessels that are or may be made available *for service against us* probably does not exceed the following:

Battle cruiser, 26,000 tons	1
Cruisers, 10,000 tons	4
Light cruisers	4
Torpedo craft	say 55
Submarines	say 50
Small craft	Not so many as we have in our hands.

All except one of the heavy ships have been destroyed or disabled or are in our hands. The remnant of the French Fleet which we have not secured cannot seriously affect our naval predominance; but, if we had not taken the prompt and efficient action needed, the French Fleet, used by and added

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to the German and Italian Navies, would certainly have had a very serious effect on our commerce and on our power to operate everywhere. The Germans would have made good use of it in their plans for invading this country. As it is, the fact that the very valuable services previously rendered to the common cause by the French Fleet in sinking hostile submarines, convoying mercantile marine, hunting enemy raiders, and attacking the German Navy especially in the Skagerrak, have now been withdrawn must of course reduce our capacity to maintain these services in their former completeness.

Several hundred French naval officers and men have taken service under our Government to continue the war, fighting with us in their own naval vessels.

IX. THE FRENCH EMPIRE

IT has already been observed that, if M. Reynaud's intention of carrying on the war with the French Empire after being driven out of France had been fulfilled, the strategic situation in the Mediterranean and in other overseas areas would have been by no means unfavourable to the Allies. Hence the eagerness with which we all noted the first reactions to the Armistice on the part of the local Governments and Commanders-in-Chief in French territories oversea. From all the African Colonies, from Syria and from Indo-China came immediate pronouncements from these high officials that for them and their Colonies the Armistice had no meaning. Unhappily this attitude was not maintained. Space is not available to explore the reasons for the change, but the consequent deterioration in the strategical situation must be noted. We are deprived of Allies who could render valuable assistance on the African side of the Straits of Gibraltar. The value and potentialities of the great French force collected in Syria need not be emphasised. The French force in Tunis, had it been reinforced by troops evacuated from France, could have co-

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operated with our force in Egypt to crack the Italian Libyan nut. As it is, the Italians have made use of their security on their western flank to prepare an attack on Egypt. It is a serious thing, moreover, that we can no longer use the French naval bases on the northern and southern shores of the western Mediterranean.

X. THE EFFECTS OF THE BATTLE OF FRANCE

THE effects of the Battle of the Low Countries upon opinion in the world at large, summarised on an earlier page, were greatly reinforced by the German victory in the Battle of France, of which the most important and immediate result was Italy's decision (June 10) to help the victor as soon as she was certain of his victory. It would lie beyond the scope of this article to examine the reaction of the remaining neutral countries in Europe to the French catastrophe. Any reader of the newspapers can see that they have inevitably been obliged to adjust their attitude to the great increase of German military strength on the Continent. It must suffice to draw attention to the following points. (1) Germany now possesses a corridor through France to Spain. There is no need to stress the possible result of that on the position in the western Mediterranean. (2) Sweden cannot prevent the passage of German troops and stores to Norway for the attack on England. (3) Rumania has discarded the British guarantee for the protection of her territory, including the oil wells. (4) The strategic interests of Germany and Italy in the Balkans are in conflict with those of Russia.* Sooner or later, for example, the control of the mouth of the Danube must become an issue of the war. (5) Since Turkey is non-belligerent, though staunchly friendly to Britain, our Navy is deprived of the use of valuable Turkish harbours to supplement its limited naval bases in the eastern Mediter-

* For an analysis of the interests and ambitions of the Balkan States see "A Sketch-map of South-East Europe" in *THE ROUND TABLE*, No. 119, June 1940, p. 581.

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anean at Alexandria and Haifa. Thus, while our French ex-ally has deprived us of naval and air bases in the western Mediterranean, we are not in a position to utilise such bases in the eastern part of that sea as a Turkish alliance would provide. Turkey is determined to avoid war with Russia, but her strategic position *vis-à-vis* Italy is quite different. The fate of the Dodecanese islands is another issue that may well arise before the war is over.

As to the Far East, there is likewise little to be said that is not obvious to any intelligent observer. The outburst of anti-British sentiment in Japan was the immediate result of the French *débâcle*—the belief it inspired that Britain was now in a desperate plight and perhaps doomed to the same fate as France; and it is not surprising that the Japanese Government took advantage of our difficulties nearer home to press for the closing of the Burma road and the withdrawal of our small force at Shanghai. It would be idle at this moment to speculate on the possible strategic developments in the vast Pacific field, but again some points may be worth noting. (1) The United States has consistently declared its interest in maintaining the *status quo* in the Far East. (2) The core of China has been hammered by three years of war into a solid block of self-defence, and her man-power is still enormous. (3) Though Japan may cut her oversea communications, she adjoins Russia by land, and Russia cannot wish to see her mastered by Japan.

But in Asia as in Europe the attitude of the neutral countries is a subsidiary factor. The dominant factor is the course of the conflict between the belligerents to which the response of the weaker neutrals must be almost automatic, while that of the stronger neutrals will be determined by their own ideals and interests. The most important result of the Battle of France, therefore, has been its effect on Germany's power to battle with Britain. The *moral* effect must have been immense. Dr. Goebbels' customary exaggerations were for once unneeded. The German conquest of Holland, Belgium and France in less than six weeks is one of the greatest triumphs in all the history of war. It must have immensely strengthened the belief of the

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German people in their Führer. On the material side, the strategic value of Germany's occupation of the North Sea and Channel coasts has been very greatly increased by its extension from Boulogne to the Atlantic end of the Pyrenees. The economic results are also very substantial. By plundering the countries she has conquered and by living on their capital, slaughtering pigs and cattle in Denmark, seizing oil and iron-ore and other important materials for armament production in the other countries, taking whatever Germans want without the slightest consideration for the needs of the inhabitants, Germany can make good most of her wastage of resources and can face the coming winter with more confidence than she could a few months ago. For further equipment the great industrial strength of France may now be put at her disposal. By force in the countries she has occupied and by threats in those in which force is not yet needed she dominates and exploits the whole continent of Europe and its labour from the Vistula to the Atlantic.

But it was Germany's great statesman, Bismarck, who said, "You can do anything with bayonets except sit on them." Germany has planted bayonets all over Europe and now she is trying to sit on them. There is already widespread misery in Europe, and, as winter draws on, it may reach a desperate pitch. And the only hope of rescue is in this island. That hope will be kept alive and strengthened by the fact—one more result of the German victories—that there now exist in Britain the germs of governments and fighting forces from every one of the conquered countries. Already their military, naval, and air force contingents, apart from their very substantial merchant shipping, make a formidable total which will continually grow. Each contingent is in touch with its compatriots and is preparing and building up forces for the day of vengeance. And behind them are free Governments whose moral ascendancy can never be disputed by the puppet Governments in their conquered homelands. Even in France the spirit of the people must surely turn, when the sky is clearer, from Pétain to de Gaulle.

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XI. AN APPRECIATION OF THE PRESENT SITUATION (AUGUST 21)

THE war-power of the British Empire, though far from fully mobilised after a year of war, has already been shown to be formidable. The Navy has done what was expected of it. Ceaselessly at work, it has protected thousands of miles of communications, swept enemy shipping from the seas, and gripped the enemy countries with blockade; but it has not yet been required to exert its full strength in a great crisis. The R.A.F. and the Fleet Air Arm have done more than was expected. Their bombers, released at last from the ban on their activity, have ranged far and wide over hostile territory from Norway to Berlin, Italy, Libya and Abyssinia, attacking, with consummate gallantry, unerring accuracy and deadly effect, important military objectives, naval bases, aerodromes, oil stores, factories, railway and road communications, power installations, and, above all, the morale of the enemy. They have beaten off contemptuously the attempts of enemy fighters to divert them from their target or to disconcert their aim, and have faced unflinchingly the most terrifying concentration of anti-aircraft fire from the ground. In these continuous day and night offensives they have suffered much fewer casualties than could have been expected and far less than those inflicted upon the enemy when he has attacked Britain and France. During the month of August our fighting airmen have signally defeated the mass air raids on our shipping and harbours which were apparently intended to be the prelude to invasion. In these battles, assisted by our ground and floating A.A. defences, they have brought down from 12 to 20 per cent. of the raiding forces. Their own casualties in machines have been in a ratio of about one to over four, and in trained personnel of one to fifteen. On a single day, August 15, 180 enemy machines were seen to crash and many more can never have got home. In these big-scale air battles, as in those over Dunkirk, the Germans have suffered defeats as unmistakable as those they have inflicted on the Allies in any single actions

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on land. Nevertheless, the supreme struggle for air supremacy and the final repulse of invasion from the air have yet to come. For these tasks we have now far greater forces to launch into the air than those which fought above Dunkirk.

Co-operating with the Navy, these air forces have made it possible for the sailors of the mercantile marine to steam, with their usual determination, up the English Channel or wherever else they are required to go. They are the sons of the men who defied the menace of the submarine in 1917. Navy, Air Force and mercantile marine between them have taken the sting from Hitler's threat of starvation by blockade.

Lastly, the Army. About 14 divisions have been brought into action in Norway and France and withdrawn to England suffering severe, but not serious, casualties. In the last war, after twelve months our casualties, killed, wounded and captured in France, the Dardanelles and Mesopotamia, were 365,000. In this war they have been 92,000, including civilians. One of the difficulties of the last war was that priceless battle experience was bought with lives of valuable leaders and men who thus could not pass it on. In this war our trained and experienced men, increasing every month, have been busy training the untrained overseas and at home. We now have a million and a half armed men in the Regular Army in this country, apart from the Home Guard. A very large proportion of this great number are now organised in corps, divisions and armies well trained for their work. Daily their organisation grows in size and efficiency. We have had a totally unexpected year of grace in which to build up our Air Force and our Army without large-scale losses overseas and without disturbance of production at home.

But we cannot win this war by indefinitely piling up and retaining forces at home. The first move of the enemy's plan of invasion is now in progress. When it has been defeated we shall know what chance there is of any further attempts. If the enemy continues to threaten us with invasion without delivering it, in order to compel us to retain large forces in this island, then our Chief-of-Staffs Committee will have the difficult

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problem of working out the minimum force that will guarantee the safety of the homeland and set free the largest possible force for action overseas. When the latter is available, strength will attract strength. Non-belligerents with a bias towards us, when guaranteed with real support in the air and *on land*, may well become allies. The people of every conquered country we can manage to enter, bringing with us a contingent of their compatriots, will do all they can to help us.

At present, however, the Axis Powers still have the initiative. How will they use it? The main source of the power of the widespread British Empire is in these islands; its strategic centre is in Egypt. Those are the two main objectives for a would-be conqueror.

In Africa those Italian troops which are south of Egypt are (to use Mr. Churchill's picturesque phrase about von Spee's squadron in the last war) "like cut flowers in a vase". They are a beleaguered and rapidly wasting force. They can be reinforced but not supplied by air. They have made sorties into the Sudan and Kenya, and, aided by the defection of French Somaliland, they have invaded British Somaliland and, not without suffering heavy casualties, compelled its evacuation by the very much smaller British force defending it. By these offensives the Italians may have gained some temporary local prestige, but, since the country they have occupied is mostly barren and the seaboard useless to them, the strategic gain is nil. Further, such enterprises will only accelerate their exhaustion.

It is not to Tropical Africa but to Egypt that we must look for a major decision in the Afro-Mediterranean theatre. At present the Italian invasion from Libya hangs fire on the frontier. We must make no doubt about the security of Egypt, continuously building up a force, mainly from the Dominions and India, until it is large enough to undertake a strong offensive in a direction yet to be determined. It is at the eastern and western ends of the Mediterranean that the struggle for the whole area will be decided. The Axis pressure now being exerted on Greece, and indirectly on Turkey, denotes the open-

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ing stage of a far-reaching design aimed against Palestine and Egypt. Spare strength in Egypt may win allies in the Balkans and the Levant. The situation at the western entrance to the Mediterranean must also be studied and plans made in advance to meet any change in the *status quo*.

But the main German objective is the conquest of England. It is the only thing which would give Germany what she so eagerly desires and what Italy *must* have—a short war.

The attack on England has begun with attempts to drive our mercantile marine from the English Channel, to smash our naval bases in the Thames estuary and at Dover, Portsmouth and Weymouth, and to obtain air supremacy over the sea in the area Cherbourg-Rotterdam-Harwich-Dover-Weymouth. At the time of writing these attempts have been defeated; and there is a general belief in this country that the project of invasion, however fiercely it may be persisted in, will ultimately fail. What are the reasons for this belief?

Invasion can only come from the air and by sea. Germany and Italy possess a large number of troop-carrying aircraft. On any one aerodrome they can deliver, shall we say, 500 troops per hour and they can do that simultaneously at many aerodromes, if they are not interfered with. But, opposed by our magnificent Air Force and by A.A. guns, with sound ground organisation to defend all aerodromes and to obstruct and defend quickly other landing-places, with mobile columns of regular troops assisted by the Home Guard to crush incipient landings before they become formidable, invasion from the air should be reduced to proportions which can only be effective if they are reinforced and supported, as they were in Norway and Holland, by the main bodies of all arms which cannot be carried and supplied by air.

There remains the other very serious menace from the air, namely concentrated bombing of the areas where the sources of our war effort are produced—docks, harbours and shipping, factories and essential services, such as light and power installations, water supplies, railways and roads. A highly industrialised people, concentrated in large towns, is peculiarly vulner-

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able to such attack. Our Air Force and our A.A. guns cannot guarantee us against this, but they have demonstrated by their recent operations that, supported by our ground and floating A.A. defences, they can disperse the concentration of bombing and deflect the aim of the attackers from vulnerable targets, and, what is more important, they are exceeding all expectations in the heavy toll they take of the raiders, so that the ultimate exhaustion of the German air offensive is certain. Our passive defence by A.R.P. is well organised, and the shelters will give the people confidence to endure this severe form of attack until it is defeated. We have, therefore, every right to expect that invasion from the air alone must fail after doing much damage and causing much disturbance.

Invasion can only be successful if the enemy can land sufficient forces *from the sea* with all the necessary arms, equipment and munitions to maintain them in action.

The Prime Minister has told us that the Navy cannot guarantee that detachments, up to, say, 10,000 men each, will not be landed at various points on the coast, but it can guarantee that no reinforcements or munitions will follow in the neighbourhood of those landing-places which will at once become known. It is therefore the business of the Army to delay those landings on the beach, inflict losses there, and quickly to assemble troops to mop them up. This demands mobile columns of all arms with good communications and strong reserves suitably placed to deal with any situation that threatens to get out of hand.

We may be sure that the enemy will have considered every possible device before he finally stakes everything on his main attempt. We may expect further determined attempts at concentrated bombing on vital centres. Landings by air in southern Ireland have probably been planned with a view to establishing air bases and submarine bases there and delivering an attack on this country from those bases. Preparations have doubtless been made to land detachments by air in Scotland and many parts of England and by sea on the east coast of Scotland and south and east coasts of England; all this, regardless

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of loss, to create disturbance and confusion and diversion of our forces. Then, and not till then, would the stage be set for the main effort over the shortest sea routes to land troops on our coasts from Essex to Sussex inclusive. It would be a desperate gamble on the part of the enemy. He would order his small navy to co-operate in a death ride. With proper distribution, organisation and handling of our very large forces on the sea, in the air, and on the ground it should be doomed to certain failure.

Since invasion from the air cannot succeed unless followed and supported quickly by invasion from the sea, and since Dunkirk has shown that an air force cannot stop invasion by sea, though it can disorganise it while assembling (as the R.A.F. and Fleet Air Arm are now doing), and hamper it on arrival, the main task on which all depends for the defeat of invasion falls upon the *surface* ships of the Royal Navy and their auxiliary craft.

In conclusion it may be said that, after the unexpected respite of twelve months, we are unchallengeable on the sea in spite of the loss of most of the French Navy, in the air we are nearing the point where supremacy will pass to us, and on land we are now strong enough to prevent the situation deteriorating further and to inflict a serious reverse upon the enemy if he attempts invasion.

The co-operation of all three fighting services on the sea, in the air and on land is essential for victory. Hitler has two of these services only, but we have all three, and the two which were quite inadequate when war began are rapidly becoming equal to their task. We are already strong enough to halt Hitler, and within a few months we shall be ready to sally forth to attract allies, to seize the initiative, and to direct the course of the war to victory.

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WHEN the British Prime Minister announced on September 3, 1939, that Great Britain was, as from that hour, "at war" with Germany, he was using the traditional language of diplomacy in making known a momentous decision. If his words varied somewhat from those recorded on earlier and similar occasions in British history, the departure from precedent was probably due to a scrupulous desire on the part of his officials to distinguish, in the ears of an expectant and listening world, between a deliberate British onslaught on Germany and an inevitable reaction to the already accomplished fact of Germany's attack upon her eastern neighbour.

But the circumstances which preceded and accompanied this decisive step had, in a degree unusual in British political life of the last century, borne the impress of the Premier's highly individual attitude towards the personalities and problems dominating the European stage. His horror of war as an *ultima ratio* in the fate of nations, his tenacious faith in the power of reasoned discussion to resolve great international issues, were well known. For some people, accordingly, the very words used by the Prime Minister, however intended, seemed to have a disquieting significance. The doors of the temple were open indeed. But was this the expression of an angry resolve to strike down an assailant or merely the reluctant admission of a regrettable lapse, through the failure of diplomacy, into a "state of war"? In the sequel, such misgivings were heightened rather than dispelled by recourse to pamphlets instead of projectiles as a weapon of aerial attack; and in general by the early conduct of hostilities—French as well as British.

Criticism of the Government's war effort, however, first came into the open last April, when the Chancellor produced

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what purported to be a 1940-41 War Budget. Comment upon the inadequacy of the provision made was reinforced by comparison with Germany's war expenditure; and closer scrutiny served only to harden and deepen the first impression, namely that a war effort of this size could not aspire to victory.

The strictures passed upon the April budget no doubt missed their mark in one respect. The expenditure envisaged by the Chancellor was after all merely a measure of the overriding war strategy and policy of the Cabinet. But fiscal and financial considerations do—in ordinary times, rightly—act as a check or at any rate a limiting factor upon policy, both domestic and foreign. And there was more than a suspicion that even in the midst of a struggle threatening the life of the British people, misplaced and untimely notions of economy had continued to prevail. Doubts were not unnaturally nourished by recollections of some of the most serious misjudgments of the immediate pre-war years on the part of those responsible for foreign policy and for rearmament. Even uninstructed observers were aware of the failure of their politicians to realise that considerations of domestic finance had not been allowed either in Germany, Italy or Japan to hamper the pursuit of an aggressive foreign policy and gigantic military preparations.

Much water has flowed under the bridges in the brief but eventful period which has elapsed since then. With the exception of Russia not a single country on the European continent is to-day able to assert an independent existence or follow its own policy in frank disregard of Germany's wishes, expressed or implied. Britain alone remains erect, possessed of the determination and the means, if fully and rightly used, to resist Germany's attempts at world domination.

There is, however, no need to dwell on the magnitude of the task involved. Nor is it necessary in a discussion of economic and financial factors, to digress into the political and military aspects of the problem involved, though these are admittedly primary. But it is of the first importance to re-stress, *ad nauseam* if need be, the circumstance that our strategic and military effort is overwhelmingly dependent on

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our economic effort. In every war the conduct of hostilities is determined by the means available; by production and supply. In the present conflict, waged with highly technical weapons, of greater, more decisive and more rapid destructive effect than any hitherto known, these elements have become more vital than ever. All this is platitudinous. Yet it has been obvious for some time that the British military effort—military in the widest sense—has from the outset been subject to limiting and damaging influences from the side of production and supply.

Happily, the present Government may claim credit for an honest and assiduous endeavour to remedy the worst errors and omissions of a recent and inglorious past. But there is, nevertheless, a widespread feeling in the country that much leeway remains to be made up in the economic sphere before the means available can be considered commensurate with the demands likely to be made by the intensity and duration of the struggle. We are far from having organised and stimulated the industrial production of war essentials to a maximum. On the other hand we have merely skirmished with the problem of restricting consumption to a sufficient yet disciplined war-time minimum.

It is, of course, evident that these two aspects of our economic task are correlated. They are linked together at many points and react upon one another. But it so happens that precisely where they impinge directly upon one another they are, in practice, most easily reconciled.

With regard to the former consideration—maximum production of war essentials—it is universally agreed that all other factors should be subordinated to the one object of the successful prosecution of hostilities. In simple terms, every man, every machine and every acre of land available should contribute, as directly as possible, to the war effort. There is no doubt that this point has not been reached, perhaps not even approached. It is also evident that the serious turn of events last spring and, equally perhaps, the prospect of further adverse developments in the near future compel us to fore-

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shorten considerably what might have been a serviceable and safe time-schedule—to telescope into the smallest compass possible a greater industrial and productive effort than has ever before been demanded of the country.

On all this there is little or no dispute. The supply of war essentials is deficient, the need apparent and the organisation of effort inadequate. How are the energies of the nation to be harnessed in the service of one great task? Where are we to begin? Some critics, taking as their point of departure the number of workers still engaged in non-essential trade and manufacture and the volume of total unemployment, virtually recommend that both groups be immediately drafted into war-work. But they offer no concrete suggestions which would help the practical administrator to approach so big an undertaking. Others, whose experience and informed judgment entitle their views to scrupulous examination, start directly from the industrial end. They argue that the deficiency of equipment is due both to the lack and to the waste of productive effort. Many workshops are idle, many laboratories unused. Quickened by an impatient and irresistible urge—shared by every sentient Briton—to see the whole country galvanised as never before into a visible and tangible war activity, they are impelled to suggest the immediate assumption of control over all industry by the Government.

It is easier to accept the diagnosis than the prescription. The latter, not unnaturally, is influenced by comparison with German war methods. These, if measured only by their results, have proved so successful that the case for their adoption might appear unanswerable. But that is not the only important point which we have to consider at this stage. What is no less relevant than the success attained by the German machine is the process by which this all-pervading government control of industry was established and the length of time spent in its creation.

Now that the German system of control over trade and industry, indeed over all the economic activities of the country, has become—moral and social considerations apart—impres-

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sively efficient, it is easy to forget its painful and empirical progress over a period of years. It began with exchange bankruptcy, a banking moratorium and five million unemployed. Private enterprise of almost every kind was already at a standstill. Step by step, the Government was compelled by the sheer force of circumstances to undertake tasks which were neither originally desired nor envisaged by it. The powers progressively gathered into the hands of the Nazi régime in the process were no doubt not unwelcome to it; but they were the despair of thousands of overworked officials as each new responsibility assumed involved the Government in undertaking another.

As a war machine the system has proved formidable. But years of arduous and often agonising directive and administrative toil were required to evolve it. It also depended upon the exercise of more absolute political power and more pervading control of the destinies of individual citizens than have ever been wielded in a highly organised community.

Reverting to our own circumstances in the present emergency, it will be readily accepted that all our productive resources should be at the disposal of the Government. They should, to the utmost, be made to subserve war aims. As a generalisation this is intelligible or, rather, obvious. But as a guide to practical and political administration, it offers no help whatever. And the suggestion that the Government forthwith assume control of all industry and productive resources would, if adopted, assuredly begin by creating more problems than it solved. What is meant by "productive"? Which of the heterogeneous productive activities of a century-old, complex and highly developed economic organism would be included, which excluded? How many of the former could immediately be converted to better purposes, without the existence of an all-embracing plan? And if, as yet, none exists, which Ministry or group of Ministries is to devise and develop it? Would the planning of exports fall within the scheme? Answers would have to be given to these and many other primary questions before effective action could be taken in any direction. And

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action would be preceded by laborious and interminable discussion—political and party-political, public and private, departmental and inter-departmental.

The prospect is not alluring. The truth, unfortunately, is that we cannot hope by the adoption of a simple formula, to make good, *overnight*, deficiencies in equipment inherited from politicians and departments more conspicuous over half a generation for the production of excuses than of instruments of offence and defence. As a mental exercise, rather in the spirit of Mr. Herbert Morrison's slogan, it is both tempting and irritating to think purely in terms of maximum production of tonnage, tanks, planes, guns and other war essentials. Problems of administration and organisation are easily and impatiently brushed aside; and the thousand natural shocks to which a complex economic system is heir are readily overlooked. But we are hardly offered a practical remedy.

The conclusion is inescapable. If the war effort is to be intensified and expanded the impetus must come from the top. It must start with the particular, not the general. Present and prospective requirements for the successful conduct of naval, military and air warfare should be revised and reassessed, leaving no possibility of error on the side of deficiency. (Many people remember, in this connection, the treatment habitually meted out by Mr. Lloyd George to "expert" estimates submitted to him by Departments in the last war. Trebled by him on his own responsibility, they had frequently to undergo upward revision.) And such assessment, proceeding vertically down the scale of manufacture or production from the finished destroyer, plane, gun, uniform or whatever it may be, to the primary raw material, home-produced or imported, must simultaneously embrace the enrolment, conscription or virtual control of plant, designs, tools, engineers, skilled and unskilled labour and all other necessities at every stage of the productive process. Even by this method, the task of organising supply and of reconciling competing demands for factories and workers is a formidable one. But action, taking ascertained or estimated requirements as its point of departure,

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becomes possible according to a consistent and harmonious plan. Everything is concentrated on essentials. All the workers and workshops which the country possesses can be drawn into the net, *as required*. Relative degrees of urgency or priority as between rival or conflicting demands can be taken into account.

To some extent the Government is following this procedure. Yet no exhortation to add impetus and scope to its endeavours along these lines need be regarded as superfluous since it is daily apparent that lack of foresight and timely provision still compel us to purchase abroad, against the surrender of irreplaceable assets, equipment which, but for our pressing need, could and should have been produced in the United Kingdom.

Taking the economic effort as a whole, it is clear that production can be regarded as primary. Everything depends on the success of our arms and this, in turn, on the material equipment which can be provided. Finance is relegated to a secondary place. None the less, it plays a very important part for reasons not always immediately apparent to those unfamiliar with its implications. Wrongly or clumsily handled it can impair the productive process on which the successful conduct of war depends. It can set up social stresses and strains making for disorder, distress and disruption throughout the whole economy.

Assuming that the war expenditure envisaged in the latest War Budget is actually incurred or even exceeded, the financial problem to be solved is a formidable one. Doubly so because it can only be mastered, if at all, by a combination of political courage, social forbearance, and financial skill. No mere cleverness or jugglery will avail.

If we begin with its bearing on domestic economy, the problem can be simply stated. Compared with rather less than £1,000 millions a year before the war, the Government will now have to spend £3,500 millions. It will probably secure £1,500 millions or a little more by taxation. Through the cession of British-owned foreign assets to the Treasury it

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may hitherto have obtained £200 millions. Such foreign investments have, of course, been paid for in sterling. But it is fair to assume that funds were available out of balances previously borrowed and no longer required to finance the Equalisation Account; or that the sterling paid to the holders of these securities has for the most part been reinvested in Government issues, thus squaring the account on both sides for the Exchequer.

A part of the gap between expenditure and revenue from taxation will be filled by gold. This, like the dollar proceeds of realised foreign securities, can be used to pay for imports from the United States. The gold reserve, a national asset administered by the Government and paid for at the time of its purchase by the issue of either bank-notes or Treasury Bills, requires no financing (except to the extent that newly mined South African gold may come into account). How much of the available gold stock will be used in this way by the Government during the period covered by the present Budget has not been disclosed and must in any case depend on the value of the goods delivered by the United States during that time. It may be reasonable, however, to assume that gold and foreign securities will together provide the Exchequer with £500 millions during the current fiscal year.

On this basis there remain £1,500 millions to be borrowed. Yet in a normal year savings available for all purposes (*i.e.* government and other) scarcely exceed £500 millions, or little over 10 per cent. of a total national income recently estimated at rather less than £5,000 millions per annum.

Two further factors, however, may be taken into account which will help to reduce the gap. The estimate of £500 millions is commonly accepted as representing *net* savings. It excludes sums set aside each year and in due course applied to the maintenance, renovation or renewal of factory premises, house property, plant, furniture and other durable goods and fixtures. In the stress of war-time much of this expenditure can be deferred; some of it will in any case be eliminated by the diversion of labour and raw materials to war

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purposes. *Gross* savings of £750 millions may therefore become available instead of net savings of £500 millions. A larger figure is sometimes suggested; but allowance must be made for the indispensable upkeep of important factories and workshops incurring a more than normal degree of wear and tear at present, for the necessity of keeping the mercantile marine in a high state of efficiency, as well as for the circumstance that higher taxation will in the case of numerous private persons preclude the accumulation of funds for the maintenance and repair of property.

There is also the favouring circumstance that government expenditure on the present scale itself generates additional income. Some income, of course, is destroyed by the impact of war conditions—the Stock Exchange and the motor trade might be cited as examples. Some, hitherto derived from other sources, is replaced by government or service pay. A substantial part, however, serves to create a net addition to total national income; which, according to competent authorities, is presumed to have risen to a rate of £6,000 millions per annum. It is possible, therefore, that the Exchequer may under prevailing circumstances be able to borrow £1,000 millions out of gross savings, though this estimate probably errs on the side of optimism.

But when everything has been brought to book there remains at least another £500 millions to be provided. And it is this factor which leads straight to the core of our economic and financial problem, once we have passed on from the question of the physical and material production of essential war equipment. For these £500 millions, by which under present conditions taxation and savings fall short of requirements, must be made available in one way or another. In a word, they represent the amount by which the community should *reduce* consumption and increase its loanable savings or fiscal contributions, or both, above the present level, to avoid inflation in the national economy.

Certainly, if the savings are not forthcoming either as a result of voluntary action or of compulsory measures, the

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additional means of payment required by the Government can and will be *created* by technical devices. A beginning has perhaps already been made with this process. The note circulation, which was high in peace-time, has risen by £100 millions since last August; and £900 millions have been borrowed from the banking system (£700 millions in the form of Treasury Bills) during the same period. In the language of the schools, this is the classical form of currency inflation: borrowing in excess of savings—"borrowing" what is not there to borrow.

In more normal times such creation of additional bank credit, bank-notes or, more generally, promises to pay, unless immediately balanced by a corresponding volume of purchasable goods newly produced, leads to rising prices, rising money wages and exchange depreciation—the familiar phenomena of economic and monetary disorder. But in present circumstances expansion of credit is certain to be accompanied by a positive *decline*, possibly a progressive decline in the available volume of consumers' goods. Exchange resources, depleted by the purchase of war materials and the fall in current exports, will enforce a reduction of consumable imports. Thus an increasing demand due to a rising money income is likely to encounter a diminishing supply, with predictable and inescapable consequences to the price structure, in respect of everything for which strict rationing accompanied by stringent price control is not applied. It is true that domestic production—of a particular kind—is now rising rapidly. But it is the production of weapons, not of consumers' goods: it is consigned to destruction in defence of the country or in attack upon the enemy.

To preserve our independence and our nationhood we have to embark upon the most gigantic and the most rapid process of war material "consumption" ever witnessed. All other consumption must be correspondingly reduced unless total production—and especially manufacture for export—can be proportionately increased: which is manifestly impossible. In reality the proposition is as clear as the case of a humble citizen diverting a substantial portion of his salary to the

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construction of an air-raid shelter in his own garden. The dug-out may preserve his life; it will not at the same time provide him with comfort, satisfy his appetite or yield him lucre.

None the less, the problem of how to avoid inflation with all its harmful consequences is not being openly and courageously faced. And it is disquieting to find few indications of any considered economic and financial policy. Instead, an inauspicious beginning was made last autumn when wages were increased in a number of quarters in disregard of the state of war and of the general implications of such a course. There appears to have been no attempt to explain the true position or prospects to the country at large. As a result the process of increasing wages and salaries is going forward today, with added momentum. Where will it end? Has no one in the political forefront the courage to tell us, one and all to cut our cloth—in order to provide for uniforms? Is there no means of explaining soberly to bonus-applicants that the rise in prices hitherto encountered, with full allowance for the rations instituted, is barely sufficient to reduce consumption to the level which we can afford over any longer period, either in fiscal terms, in exchange resources, or in shipping space? Are we afraid to utter the blunt truth that no one in these isles can expect during this emergency to have his emoluments *raised* to their former purchasing power? It is surely clear that a Government is merely a directive agency and intermediary, not an omnipotent fairy-godmother; that wars are fought by the people for the people; that everyone is receiving a part of his pay in defensive armaments and national defence instead of comforts and consumable goods; and that to give up nothing in purchasing power is merely to secure something for nothing at the expense of others?

Meantime the crucial problem of providing for government expenditure of £3,500 millions out of fiscal revenue and loans representing genuine savings has not yet been solved. As already shown, there is a gap of more than £500 millions to be filled during the current year; and this uncovered balance will be larger in the second year if foreign assets and gold are

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not available to the same extent as during the present year.

What must be clearly understood is that whether the solution envisaged relies more upon taxation or upon borrowing, the essence of the task remains the same; if an inflationary creation of credit and consequent monetary disturbance is to be avoided, the difference can only be made good through voluntary or enforced renunciation of spending. Furthermore, taxation, to produce additional revenue, must follow the direction in which government expenditure is flowing. Merely to increase the levy on larger incomes—a remedy which has at times been suggested—will not meet the case. Government expenditure and the circumstances imposed by the war are not increasing the larger incomes. On the Stock Exchange and in many professions they are being decimated by the conditions inevitably created by the war. A glance at the burdens imposed by the last Budget should make it clear that recipients of larger incomes are being compelled to cut their consumption to a minimum. They may be made to pay still more, but from a fiscal point of view the process will become one of taxing more and more out of less and less. Additional imposts will be met by discarding burdens such as rates, rents and wages to dependents. Other incomes and sources of fiscal revenue will be destroyed in the process and little net gain will accrue to the Exchequer.

It was recently stated in the House of Commons that if the Government were to appropriate in entirety the excess over £2,000 per annum of all incomes above that level only £70 millions of revenue would be obtained. The effect, however, of confiscation on this scale, probably causing default on many long-term engagements as well as depreciation of property and adverse repercussions upon local finance, would certainly diminish the advantage secured by the Treasury.

It is clear that the Government is faced with a very difficult problem in bringing home the realities of the position to the mass of the people. Political courage will be required to explain fairly and convincingly that the economic stress of the war is such that it can only be met by sacrifices embracing the

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entire population. Though it is not possible to cite precise figures it is certain that a heavy proportion of the Government's expenditure, this latter equal to over half the national income, is being applied to the payment of wages and salaries to workers of all kinds, clerical and manual, skilled and unskilled, in the lower income levels. Compared with the flow of money into these channels, the volume of large incomes is a diminishing quantity.

Simultaneously the wages bill is rising by many hundreds of millions. Apart from the amount spent abroad the government expenditure of £3,500 millions is, directly or indirectly, generating income for somebody (although, as already pointed out above, only a part of its expenditure will constitute an actual addition to total national income). Profits up to the pre-war level will be taxed at the standard rate of income tax or, according to the income of the individual recipient, become subject to both income tax and surtax. Profits in excess of that level will return to the Government through the operation of the 100 per cent. Excess Profits Tax. In so far, however, as it goes to create salaries and wages, an appropriate part of these must necessarily either be taxed or lent to the Government in the form of savings. There is no other method of avoiding serious inflation, and it is this lesson which must be explained to the broad mass of the people. All must be prepared to join in the sacrifices necessary for the war. Even if he is a wage-earner, it is inadmissible that a man whose income is larger as a result of the war should spend or consume more than his normal quota. It is as vital for his own well-being as for that of the country as a whole that he should save and lend all he can to the Government.

It has recently been estimated that after payment of taxes on the present scale, four-fifths of the national income accrues to those with incomes of £500 a year or less. So that without an adequate contribution from this large block of income, no approach towards balancing the Budget—"balancing", that is, by means of taxation and genuine loans—is possible. Recourse to inflationary expedients will become inevitable. This may be

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a difficult and perhaps unpalatable doctrine for many thousands whose incomes have been increased—doubled or trebled in the case of a substantial minority of workers—as a consequence of the Government's huge expenditure. But its acceptance is essential for the survival of a well-ordered economy; and the responsibility for securing its adoption rests with our political leaders, whatever their party affiliations.

So far, however, there are no indications that any other policy than one of drift is to be followed. Mr. Keynes put forward at least a coherent and consistent proposal. He demonstrated clearly the impossibility of financing the war by throwing the whole burden upon the wealthier classes. He also pointed out that the absence of a comprehensive plan, the mere drift into inflation, would, if anything, favour employers and holders of property at the expense of others. But Mr. Keynes' plan appears to have been shelved for the present and no alternative has made its appearance. The Budget included no provision for a wages tax; nor any proposal for the limitation of spending by other methods. It failed altogether to grasp the nettle.

Instead, it has been unofficially suggested in some quarters that income tax should be further increased and a capital levy instituted. The former of these proposals has already been discussed. Of the latter, it is only necessary to point out—putting aside all political and social prejudice—that there could hardly be a more ill-chosen moment for such a measure. Under prevailing conditions it is completely impracticable. With taxation at its present level, many people are in any case compelled to draw on capital by realising assets in order to meet fiscal claims; because it is frequently impossible to effect a sufficiently rapid reduction in other expenditure, such as the payment of rates and rent, or the cost of children's education. Where there was a liquid surplus, it has presumably gone—directly or through the intermediary of the banking system—into government loans or savings certificates. At the same time a limit has been set to all future profits. Thus, only a diminutive fraction of those subject to a capital levy would be

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found in possession of liquid resources sufficient to meet the impost without recourse to sale or borrowing. To sell would, however, become a virtual impossibility as, with everyone similarly placed, there would be only sellers and no buyers. Depreciation of real property and shares would ensue, inflicting heavy losses without conferring equivalent benefit either upon the State or upon individuals. Moreover, with banks, institutions and private persons already lending their available funds to the Government there would be no means of providing loans except by an expansion of credit virtually equal to the amount of the levy. This process if engaged in at a time when, owing to onerous taxation, together with a rising cost of living and a limit on profits, there could be no reasonable or early prospect of repayment of the loans, would merely be the most direct mode of inflation.

It is perhaps unnecessary even to allude to the prodigious administrative labour a capital levy would involve—labour which would have to be undertaken virtually *ex novo* by the departments concerned—or to the length of time which it would take.

Before dismissing the subject of war finance, it is appropriate to refer briefly to one further suggestion which has been put forward. It is that the property of the richer classes should be taken over by the Government to pay for the war.

As a financial expedient, the proposal is founded on so palpable an illusion that it would scarcely deserve mention, were that illusion not being assiduously fostered in some quarters. Wars can only be waged by the production of arms and the curtailment of consumption. The engines of war are destroyed, not sold. Unlike the exports of peacetime, or the other goods whose production they have replaced, they cannot be *exchanged* for consumers' goods—although they are the fruits of strenuous labour. And the confiscation of property cannot serve either to finance the Government or satisfy the wants of the worker. Wages have to be paid in cash, not in bonds and shares, plant and machinery, stone and mortar, pictures or wireless sets. The Government would

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first have to sell what it took. Who would be the buyer where all are sellers? It has even been suggested that, as there are £2,000 millions of deposits in the banks, this "wealth" should be commandeered. The ignorance of facts underlying this naïve proposal is almost incredible. A glance at a bank balance-sheet suffices to show that, so far from lying idle, these deposits are being lent, to the extent of more than 60 per cent., to the Government in the form of long or short-dated loans, while the balance—all except 20 per cent. held in cash—lubricates the wheels of trade and industry, which could ill spare this accommodation. To speak of these deposits as "wealth" is, moreover, pure delusion. They consist of the indispensable working balances of countless companies and business firms, large and small, and of the current accounts, rising and falling each month, of hundreds of thousands of workers and salary-earners. For the most part they constitute neither wealth nor savings.

From a fiscal standpoint, therefore, the suggestion is too unpractical and unrealistic to warrant a second thought. Its political implications, however, deserve attention. If seriously intended and pursued, it would, consciously or unconsciously, be equivalent to an attempt to start a second war on the home-front—a war for State Socialism. The State could, of course, confiscate property—though by so doing it could not finance the war. But the social struggle unleashed by the mere attempt would split the country from top to bottom, robbing it of the unity of spirit and effort vital to success against the enemy. If advocacy of the proposal as a financial measure can be condoned on the score of ignorance, it is, as a political gesture, both irresponsible and pernicious.

Whatever the policy ultimately adopted to solve our economic and financial problem, the fundamental elements of that problem are simple and inescapable. We can only consume what we produce; and the more we are obliged to produce for war purposes, the less can we produce for the satisfaction of daily wants and normal comforts. To allow the volume and flow of money, now so largely directed into

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wage channels, to blur the hard features of that situation would be reprehensible and self-defeating.

It may be that the gap at present looming between the expenditure forced upon the Government and the revenue which it is able to secure by orthodox methods cannot be wholly bridged. So far no serious attempt to bridge it has been made either by taxation, compulsory saving or the shortening of consumable supply. But it should be clear beforehand that, if this is the case, the means of payment additionally and artificially created and distributed will be balanced by no equivalent counterpart in purchasable goods, least of all in consumers' goods, while war lasts. The sacrifices at first rejected by those into whose pockets the extra money is flowing will be enforced upon them by the diminishing value of the money itself. And compared with an orderly and voluntary limitation of spending through taxation graduated according to accustomed standards and services rendered, or saving, the impersonal, unregulated and irresistible impact of currency depreciation inflicts hardships which are the greater because they remain, to the last, incalculable in extent and unfair in their incidence.

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IN September 1939 Germany was ranged alone against a coalition consisting of the French Empire, the Polish Republic and the British Commonwealth (excluding Eire)—some 630 million people occupying about a third of the surface of the globe. Nine months later the situation had, to all outward appearance, been reversed. France and her Empire had dropped out of the war, Italy had thrown off her mask of non-belligerency, and the predominance of her German ally or master extended from the North Cape to the Pyrenees and from Brittany to the Balkans. Alone amongst the European peoples, the English, the Scots, the Welsh and the Northern Irish stood in arms on their own soil against the overlord of the Continent. Their fellow-members of the Commonwealth overseas could give them little help in their immediate task of defending the very heart of it from invasion. Surrounded on the north, east and south, and with a yawning gap in its western defences, owing to the rigid neutrality and military weakness of Eire, Britain was forced to transform itself, almost overnight, into an island-fortress with a detached bastion in Northern Ireland. It was a fortress, moreover, whose manhood, unlike that of the adjoining mainland, had not been trained to arms or habituated to military discipline or any other form of compulsion. Still less were its inmates prepared for the change in mental attitude and daily habits demanded of a humane, tolerant, trustful and easy-going people when it suddenly found itself in the front line of a war in which every civilian had become a combatant. The naval dockyards and commercial harbours of Britain, those ancient nurseries of seamanship, her thickly populated manufacturing areas, where the Industrial Revolution was cradled and the Manchesterian

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gospel of Peace through International Intercourse proclaimed, now lay exposed to attack, from bases the distance from which was counted in minutes—less than the tea interval in a cricket match—by an air force considerably superior in numbers, the fruit of long and methodical preparation for this very enterprise. A portion of her coast was within gunshot of the strongest military power that the world had ever seen. The Narrow Seas which had protected her throughout a thousand years of history seemed to have shrunk to the dimensions of a ditch. What could it profit the islanders, men asked—and not in Germany and Italy alone—to have sister-nations across the oceans preparing in the leisurely British way to fight by their side if their home was being invaded and overrun? And were not the British Isles, after all, as the map suggested, just an appendage to the adjoining Continent, the Atlantic break-water of a land-mass extending to the Bering Sea and the Straits of Malacca? Was not the hour sounding at last for the eclipse of England, for the end of a predominance which had always been artificial and precarious and had only continued to maintain itself from generation to generation through the dexterities of diplomacy and finance and the ingenious play of the Balance of Power? Now that the veils of make-believe were torn asunder and the realities of world-politics stood revealed, what had been so rashly engaged as a contest between Germany and two great Empires had been narrowed down in its "last phase" into a single battle, the Battle of Britain, in which the British Isles, not even united in the hour of crisis, were ranged against almost the entire European continent under the leadership of the most efficient, the most stubborn, and the best organised of its peoples.

Such is the picture as it was presented to readers and listeners in Europe and America by the hot-gospellers of the new German world-order during the lull that followed the collapse of France. It is the object of the following pages to test it by an analysis of the actual position and war-strength of the British Commonwealth at the close of the first year of the second war against German imperialism.

PONDERABLES

I. PONDERABLES

IN 1919 Sir Halford Mackinder, that pioneer in geographical thinking, published an unassuming little volume which fell almost unnoted from the press. It was entitled *Democratic Ideals and Reality*—not very happily, perhaps, for it gave an insufficient idea of its contents. It was, in fact, a plea to apply geographical insight and imagination to the peace settlement in order to ward off the one great danger to which, as the author discerned, the British Commonwealth might be exposed in the future. This danger was that the bulk of the land-mass of the Eur-Asian Continent—which Mackinder christened the “Heartland”—might fall under the domination of a single Power, which might use it as a base for the development of a sea-power outmatching our own. In that event, Britain would go the way of Holland, when her territory and resources had become too straitened to support her naval strength.

The surrender of the German fleet in the Firth of Forth [he wrote] is a dazzling event, but, in all soberness, if we would take the long view, must we not still reckon with the possibility that a large part of the Great Continent might some day be united under a single sway, and that an invincible sea-power might be based upon it? Ought we not to recognize that that is the great ultimate threat to the World's liberty, so far as strategy is concerned, and to provide against it in our new system?

The measure which he recommended should be taken against this danger was the consolidation of the peoples of what he called “the Middle Tier”—the peoples, that is, in the borderlands between Germany and Russia, from Estonia to Greece. He foresaw that, before long, a revived Germany would seek to stretch out her hand over them, and he urged that the only safe course was to construct an effective dam against German expansion and to ensure control by the oceanic Powers over the Baltic and the Black Sea. “You cannot”, he wrote, “afford to leave such a condition of affairs in East Europe and the Heartland as would offer scope for ambition in the future, for you have escaped too narrowly from the recent danger.”

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A victorious Roman general [he continued] when he entered the City, amid all the head-turning splendour of a "triumph", had behind him on the chariot a slave who whispered into his ear that he was mortal. When our statesmen are in conversation with the defeated enemy, some airy cherub should whisper to them from time to time this saying:

Who rules East Europe commands the Heartland,
Who rules the Heartland commands the World-Island (Europe,
Asia and Africa),
Who rules the World-Island commands the World.

Little regarded in this country, where *The Economic Consequences of the Peace* was a best-seller, Mackinder's words fell upon fruitful soil in Germany, where his warnings to his own fellow-countrymen carried a message of fresh hope. In the industrious hands of General Haushofer and his fellow-practitioners of "Geo-politik" (the up-to-date name for what our fathers called "Political Geography") the organisation of the Heartland under German leadership, as a stepping-stone towards the conquest of the world, became the subject of elaborate studies and preparations.

We know from the revelations of Herr Rauschnig how these ideas were current coin in Hitler's *entourage* from the early days of his rule. But for their realisation there was one particularly uncertain factor—the attitude of Britain. Two alternative possibilities were therefore envisaged. One was to begin in the West by isolating and breaking France and "drawing England into partnership with the Powers of the New Order". The other was to start operations from the opposite end by a temporary alliance with Soviet Russia. In the former event the calculation was that after the defeat of France Britain would resign herself to the abandonment of her position in the Mediterranean and the Middle East, and would be content to play no further part in continental politics and to concentrate on her extra-European interests. The other alternative seemed to some the more attractive, since it saved "the time-wasting detour by Central and Eastern Europe". An association between Germany and Russia, creating a single politico-economic *bloc* from Hamburg to Vladivostok and the frontiers

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of India, could not but induce Britain (not to speak of France and the Low Countries) to abandon the contest without a blow.

This was the course decided upon by Hitler and Ribbentrop in the summer of last year. The *coup* was duly effected. But the anticipated capitulation in the West failed to follow. Britain preferred to fight. And for this, so far as the evidence goes, Hitler and his advisers were not quite ready. They had hoped to be given time so to strengthen their position on the Continent that Britain would see it was invincible and come to terms. Even so it is doubtful whether they fully realised what war with Britain meant. For, just as in the years before 1914, it was widely believed in Germany that, great as were the resources of Britain herself, she would obtain no reinforcement of them from the overseas Empire. The post-war evolution of the Commonwealth—the Declaration of 1926, the Statute of Westminster of 1931, the India Act of 1935—was construed as a “surrender of power” by a Britain that had lost the “will to rule”. “On the very day war broke out, it would become manifest that Great Britain had already lost her world-dominion.”*

In 1939, as in 1914, those prophecies proved wrong. Hitler found himself engaged in a conflict not with Britain only but with almost the whole of the British Commonwealth. Now, that conflict is a well-nigh classic example of the type of war envisaged during the last twenty years by military theorists in their discussions—a war in which a Power strong in finished armaments is ranged against a Power superior in resources, which has not yet mobilised its “war-potential”. Year after year controversy raged at Geneva around the definition of the term “armaments”. One party urged that, since “the conduct of a modern war demands a combination of all the means of action at a country’s disposal”, a definition of armaments would be “obsolete and incomplete” if it did not take full account of its total resources, both material and human, above and beyond its trained forces and its finished armaments. The

* See THE ROUND TABLE, No. 117, December 1939, p. 14.

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other argued that it was misleading to describe such resources, whether of material or of personnel, as armament, owing to the time required to transform the potential into the actual.

For more than a century [declared the exponents of this school of military thought] there has been a continuous increase in both the quantity and the complexity of material needed for the successful conduct of either defensive or offensive war. The time has long since passed when it was possible to produce after an emergency began the supplies and equipment necessary to arm, equip and maintain soldiers in the numbers required in modern war. . . . Even under the most favourable conditions resources of material cannot be converted into the vital elements of armaments in less than from twelve to twenty months after war has been declared. In consequence . . . other things being equal, the nation possessing the trained reserves with the necessary arms and equipment, if at war with a nation which has no trained reserves and arms and equipment for them, might easily win the war before the latter could transform its resources of material and personnel into armament.*

The cogency of this reasoning has been tragically demonstrated by recent events. It was, in large part, because of the backwardness of the military preparations of Great Britain that the Germans won the Battle of France. But this argument has a sting in its tail for Hitler. For the Battle of France, though it has put an end for a time to military operations on the Continent, did not "win the war" for Germany. On the contrary, though it left her in control over a very substantial war-potential, in the shape of the resources of almost the whole Continent, capable of being converted eventually into finished naval armaments, she can only carry through such a programme by the permission or with the acquiescence of the actual masters of the sea. It will be seen that Hitler has a most compelling reason for seeking to suspend hostilities and the British Commonwealth an equally compelling reason for perfecting its immense, if tardy, process of human and industrial mobilisation.

Let us now briefly survey the elements of the Commonwealth war-potential.

* Preparatory Commission of the Disarmament Conference, Report of Sub-Commission A, 1926, pp. 20-1.

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In order to play the part of a Great Power in twentieth-century world politics a state needs a fourfold equipment. It must (1) contain substantial natural resources within its own borders, (2) control the means of access to such natural resources as it requires from outside its own borders, (3) command the industrial skill, technique and machinery needed to convert the raw material of armament and of manufacture for export into the finished state, and (4) possess the financial reserves, both public and private, required to supplement its foreign trade in case of need in procuring all needed resources from abroad. Put more briefly, the material pre-requisites of a Great Power are natural wealth, sea power, industrial organisation and financial strength. The combination of all four is essential. The lack of any one of them undermines the whole structure of power. Amongst the greater states of to-day Italy and Japan are handicapped for war purposes by their lack of adequate natural resources: they are not so much "Have Not Powers"—for they could adjust their peace-time economy to their needs—as "Can Not Powers". The U.S.S.R., on the other hand, with its large store of raw materials, is backward in its industrial development and deficient in sea power. The United States, again, in spite of its immense natural wealth, did not become a Great Power until the American people had resolved to possess a first-class navy. The recent collapse of France, in spite of her financial strength, her undefeated fleet and the large natural resources of her home and colonial territories, was partly due, on its material side, to weakness in industrial organisation. Judged by this standard, indeed, there are only two Great Powers in the world to-day—the United States and the British Commonwealth. For the distribution over the earth's surface of the materials indispensable for modern warfare is such that no single Power is militarily self-sufficient and these are the only Powers that control the means of access to resources from outside their own borders. It is true that each could, if it so wished, deny to the other access to resources in certain oceans: for the United States commands the Western Atlantic

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and the Eastern Pacific, while Britain commands the Eastern Atlantic and the Indian Ocean. But happily, for reasons which the turn of events is not likely to alter, such a contingency need not be taken into account.

The British Commonwealth and the United States are also pre-eminent in their natural wealth and industrial organisation. So far as the Commonwealth is concerned the relevant facts can be briefly stated.

American writers, working on the League of Nations material already referred to, have made an analysis of these elements of the war-potential which has won wide acceptance.* They distinguish between what they call "the Great Essentials" and "the Critical Raw Materials". The Great Essentials, which are seven in number, are partly elements of Natural Wealth and partly elements of Industrial Organisation. They are food, steel, machinery, chemicals, coal, iron ore and oil. The Critical Raw Materials are copper, lead, nitrates, sulphur and pyrites, cotton, bauxite, zinc, rubber, manganese, nickel, chromite, tungsten, wool, potash, phosphates, antimony, tin, mercury and mica.

Applying this classification to the resources of the British Commonwealth, we find that in only one of the Great Essentials, oil, is it dependent upon foreign sources. Amongst the Critical Raw Materials there is a deficiency of cotton, potash, phosphates, antimony, mercury, sulphur and pyrites. But in every case, including oil, this can be made good, thanks to sea power, from sources outside the German-controlled area.

When we turn to Germany we find a very different picture. Her strength lies, and always lay, in her command over four of the seven Great Essentials, steel, machinery, chemicals and coal. To these must now be added iron ore, of which she has remedied her deficiency by the conquest of France and her access to Spain and Sweden. Of food, where her weak point is animal and vegetable fats, she can no doubt scrape together

* *The Great Powers in World-Politics* by Frank H. Simonds and Brooks Emery (New York 1935), *The Strategy of Raw Materials* by Brooks Emery, 1934.

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enough to meet the needs of her soldiers and workers at the cost of privations to the rest of the population, especially in the occupied countries. But oil, of which she has very little to-day under her direct rule, remains a standing source of weakness. This is being partly met by the manufacture of synthetic oil, at a great expense of coal and labour: but the factories where this is produced are, as has been demonstrated, vulnerable from the air. Of the Critical Raw Materials she is self-sufficient in two only—nitrates and potash. As for the others, without going into details, it can be said that Germany can perhaps continue to meet absolutely indispensable war-time needs by a variety of expedients, such as the use of accumulated or looted stocks, purchase or barter arrangements with adjoining neutrals, including the U.S.S.R. with its platinum, mica and manganese, the working of low-grade mineral deposits, and, in some cases, though not in those of the indispensable "steel alloy metals", the development of uneconomic substitutes. But no amount of ingenuity in these devices can do away with the cardinal fact that Germany, cut off from the oceans, is a virtual prisoner. She may keep her economy on a war-footing for years, but it is a wasting asset. It is not within her power to return to peace-time conditions. Sea power holds a stranglehold over her future which it will only consent to relax on its own terms. Meanwhile, life in the European prison-house, exposed to attack from the air and to raids from the sea, will hardly correspond to Hitler's rosy vision of the European new order.

Fighting man-power, of course, must be included in national resources, and it must be remembered that the white population of the Dominions alone, which stood at roughly 15 millions at the time of the last war in which the Dominion forces mustered about one million, is now well over 20 millions, about half the population of the United Kingdom. At the end of last July the strength of the Canadian Active Service Force, at home and overseas, was 133,000, and over 19,000 had been enrolled in the Royal Canadian Air Force. The strength of the Australian Imperial Force has been

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temporarily fixed at 80,000. At the end of last June, the men under arms in the A.I.F. and the Home Defence Forces together numbered 185,000. A total of 125,000 men have volunteered for the Royal Australian Air Force, and 27,000 have already been enlisted in it, including those enrolled for the Empire air training scheme. On July 22 the New Zealand Expeditionary Force numbered 63,747, including 4,103 for the first Maori Battalion, which represents 43 per cent. of the Maoris eligible for enlistment. There have been nearly 14,000 applications for the Air Force, and it is estimated that New Zealand will furnish an annual quota of 900 fully trained and 1,500 partly trained pilots and 1,500 partly trained observers and gunners. There are also several hundred airmen from New Zealand and other Dominions in the R.A.F. The personnel of the Royal Canadian and Australian Navies and of the New Zealand Division of the R.N. numbers about 20,000. In South Africa volunteers for the defence forces have exceeded the 56,000 originally required, and the Government is now aiming at a total of 137,000. Of these Dominion forces all those which are for service overseas have been voluntarily enlisted. For further defence purposes Canada, Australia and New Zealand have adopted compulsory military service since the war began.

To these Dominion forces must be added those of India. The Indian Army, whose normal peace-time strength is about 160,000, has been increased by about eight new territorial battalions, and plans were made last May for recruiting 100,000 more men. The personnel of the Royal Indian Navy has been almost trebled since the war began, and the Indian Air Force, of which the personnel last year was 168, is to be quadrupled. In Burma and Ceylon, too, and in most of the Crown Colonies and other dependent territories of the Commonwealth there are local forces, relatively small, but effective for garrison duty; and in some cases, as in Africa, they have been moved from one Colony to defend another.

It is unnecessary to emphasize the advantage conferred upon Britain in this struggle for vital materials through her financial

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strength. Straitened for oil and many Critical Raw Materials, not to speak of the innumerable non-essentials, such as soap, which make up the texture of a civilised existence, Germany is still more straitened for the means to acquire them. Financial strength is not the ultimate determinant in a modern power-political struggle, as was too lightly assumed by a certain school of "economic men" in 1914, but it remains a powerful contributory factor, particularly when it is wielded by a group of peoples that are united in throwing their taxable capacity into the struggle. The risk, indeed, that we may fail to mobilise our financial resources rightly or adequately is not due to any unwillingness on the part of the British people to bear the sacrifices that victory requires, but only to the Government's timidity.* The peoples of the Dominions, similarly, are cheerfully shouldering budgets that would have been inconceivable in peace-time. India, too, though her sources of revenue are far less elastic, is meeting the cost of a great expansion in her armed forces and their equipment. If most of the Colonial territories are too poor to pay for troops or armaments, they are doing all they can to increase the production of raw materials.

Let us next consider industrial organisation.

As the pioneer of the Industrial Revolution Great Britain has long prided herself on the excellence of her products, which have maintained a solid reputation against the competition of younger industrial countries. What was more open to doubt was her power of rapid adaptability to sudden new demands: for this not only made a call upon the skill and intelligence of the workers but involved the acceptance of changes in working methods and habits that could not but be unpalatable to the organised working-class movement, which had built up its standards and regulations during generations of patient struggle and intricate negotiation. These obstacles, which were never fully overcome in the last war, could only be removed by an initiative on the part of Labour itself; and

* See the article in this issue, "War Economy and Finance", p. 798, above.

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this in its turn could only be hoped for if the rest of the community manifested its willingness for corresponding sacrifices. Such conditions, which required a revolution in the mind of the public in all classes, were, unhappily, not attained last September: whether they would have been attainable by bolder British leadership before the *Blitzkrieg* of last spring will always remain a subject of conjecture. In May, at any rate, after the entry of Labour into the Government, the Trade Union movement was in no two minds as to the nature of the effort needed. Thanks to the suspension of Trade Union rules, the measures taken against the "poaching of labour", the introduction of night shifts, the lengthening of working hours, the new facilities for the training of skilled and semi-skilled workers, and other similar measures, production figures leapt up as the news from the Continent became more grave. It was a Trade Union leader himself, as Minister of Labour, who declared strikes and lock-outs illegal and sponsored the drive for increased production until, after the first spurt, it was found wiser in the interest of the workers' health to return in August to the conditions laid down in the Factory Acts.

The attitude of the workers in the Dominions has been the same. In Australia, where Labour is even more jealous of its established practices and rights than in Great Britain, the collapse of France was quickly followed by the creation of Trade Union panels to assist the Government in solving war-time labour problems.* New Zealand, where feeling between the Labour party in power and its opponents had been running high, set up a coalition Ministry for the conduct of the war.† In Canada Labour has co-operated readily with the Government, which in its turn has admitted its right to consultation over emergency measures in the production of war supplies.

Far the greatest share of the production to which the Labour force of the Commonwealth has thus freely harnessed itself

* See p. 920, below.

† See p. 945, below.

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will necessarily be that of Britain with her far larger and older industrial system; but the contribution of the Dominions is by no means insubstantial. And its importance, like that of their military effort in the strict sense, lies not only in the size of the total contribution to a common pool, but also in the geographical points at which the contribution becomes available. The Dominions and India provide safe, separate sources of the industrial power that is so essential to the conduct of modern war—safe, so long as the main fabric of British Commonwealth defence, the command of the seas, remains in being. These sources are located in different parts of the world, strategically situated for supplying the strong points in our system of mutual defence. In particular, the British countries that border on the Indian Ocean area are able to supply not only food and stores but also a great range of munitions to the forces defending that area in India, the Middle East, East Africa and Malaya. A conference representative of the Governments of Australia, New Zealand, South Africa, India and the East African territories has been called, and will meet in Delhi in October, to consider questions of co-operation in military supply for operations in this area. It is not only the avoidance of overlap and the concentration on the most efficient sources of supply that is at issue, but also the economy of time and shipping space in transport from point of origin to point of use. In that group of countries, the two principally concerned in the export of war manufactures are Australia and India. Each of these countries possesses the foundation of armament-making in the shape of a large-scale steel industry with a capacity surplus to local civil needs. In addition to her substantial munitions plant, India has a world monopoly of jute for the manufacture of sandbags, and she has been maintaining the whole armies of the Middle and Far East in clothing and general stores. Australia has tremendously expanded her munitions industry since the outbreak of war. As part of her initial programme, she set aside £25 millions to be spent in 2½ years on aircraft construction and maintenance. By June 1940 the Australian

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munitions industry had so expanded its productivity that it could enter into a new undertaking for the immediate production of £50 millions worth of munitions. Of course such expansion could not be accomplished without pain and difficulty, sometimes connected with the strain on Great Britain's own resources of industrial equipment. The troubles were particularly acute in one phase of the expansion of war industry in Canada, being aggravated there by the connection of many Canadian firms with United States interests. Despite delays and difficulties, however, Canada is already becoming an important arsenal for the major effort of the British Commonwealth in and around the United Kingdom. Canadian-built fighter aeroplanes were already in use over Britain in July. The Dominions have not yet diverted to war production nearly so large a fraction of their total national economic effort as has the United Kingdom, nor is it likely that they will be able to do so; but their contribution in this sphere may well be enough to turn the scale between deadlock and victory.

Sea power has been left to the last, for of all the elements of war strength it is the most decisive. Not only does it confine within steadily narrowing limits the strength of the enemy: it makes it possible for us to fight as a Commonwealth and not merely as an island: it enables us to move the fighting forces and the armaments and the raw materials and the manufactured goods of all the Commonwealth about the world as strategic and economic needs require. The fact, for example, that the manhood of the Dominions adds roughly 50 per cent. to the manhood of Britain would count for nothing in the war if it could not cross the seas. As it is, Dominion forces are not only sharing now in the defence of Britain and gradually gathering strength to join with British forces in the ultimate offensive blow for victory in Europe; they form, together with Indian troops, a substantial part of our army in the Middle East. Nothing, indeed, could better illustrate the value of sea power than our maintenance of this strategic ganglion at the point where Africa and Asia join.

IMPONDERABLES

II. IMPONDERABLES

SUCH, in brief summary, is the material war-strength of the Commonwealth. When Hitler chose to fight it—probably sooner, as has been observed, than he had wished—he evidently envisaged two methods of overthrowing it. The first was a *Blitzkrieg* so tremendous that Britain would be forced to surrender before her own resources had been fully mobilised, still less reinforced by those of the Commonwealth overseas. That stroke was expected to fall on this island at the outbreak of the war; but the plans of continental conquest were given priority. Greatly facilitated by their overwhelming success, the stroke is falling now. But there was always in Hitler's mind, as has already been observed, a second method of attaining his ultimate *Weltreich*, less direct and slower but no less certain in the end. He hoped that the power with which he had equipped the great German nation would so impress the island shopkeepers that from lethargy or fear they would acquiesce in his domination of the Continent without realising what it would mean later on for them. As for the overseas Empire it was on the verge of disruption anyway. The Dominions, already isolationist in sentiment, would wash their hands of Europe rather than be involved in another bloody combat so far from their homelands. This was the reasoning which underlay "the war of nerves". But from first to last it has been based on a complete miscalculation. It misjudges the moral element which at once inspires and unites the Commonwealth. It fails to assess what Bismarck called the "imponderables". To Nazis, indeed, the spiritual meaning of the Commonwealth is quite incomprehensible. They are specialists in the organisation of material power. They know nothing of the strength which springs from freedom.

The response of the peoples of the Commonwealth to the war and, more particularly, to the crisis of last June, has been a striking verification of Burke's famous claim that freedom was "the sole bond which originally made and must still

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preserve the unity of the Empire" and that it was "the spirit of the English communion", the guardian of that freedom, which "infused through the mighty mass, pervades, unites, invigorates, vivifies every part of the Empire, even down to its minutest member". The "mighty mass" has expanded far beyond the dreams of eighteenth-century statesmen. It now includes a part of every continent and a section of all the great families of mankind. But the old bond remains unbroken. The voices that spoke in every corner of the Empire at the outbreak of war were, with all their variety of speech and idiom, almost a single voice. Our cause, they said, is Freedom, and it will perish if the Nazis win the war. And, since it is now manifest to all the world that only the British Commonwealth can prevent the Nazis winning, even those southern Irishmen and Afrikaners and Indian Congressmen, a minute fraction of the whole of its vast population, who, for reasons whose roots lie more in the past than in the present, have so far refused to take an active part in the conflict must be hoping in their hearts for a British victory.

This unanimity is most impressive, perhaps, in that section of the Commonwealth which to-day is farthest back on the road to its common goal of full freedom. The Dominions have attained it. India is rounding the last corner. But the peoples of the tropics, in British Africa for example, have only just left the starting-post. But they have left it, and they know it. Freedom is something very tangible to Africans, for its opposite, slavery, is a thing of only yesterday, and nowhere is the brazen voice of German propaganda heard with more derision than when it tells our African fellow subjects that they are the down-trodden, sullen serfs of British exploitation. Such a grim picture does not square with their own knowledge and experience. They know that it was Britain who, almost singlehanded, destroyed the Slave Trade and thereby cut the roots of slavery. They remember Wilberforce and Livingstone. They know, too, that such a variant of slavery as forced labour is now forbidden except to a very limited extent for public purposes and with proper pay. They know that British

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rule means everywhere the rule of law, and that increasingly it is their own law they can appeal to, administered by their own courts. Nor is it only, so to speak, a negative freedom they enjoy. Except in the most backward areas or where progress is obstructed by the complicating factor of white settlement, they see the forms of local self-government, known as "Indirect Administration", operating every day. And those who can read the newspapers—and, of course, there are many African newspapers, written and printed and published by Africans—are aware that the British people regard this measure of self-government as a means of training for more of it. They saw what the Colonial Secretary told the House of Commons a few months before the war—that "the main objective of our government in all the Colonies is to train the people of the Colonies to stand always a little more securely on their own feet" and to share with them "the freedom we prize so highly ourselves". And, since freedom cannot be had for nothing, since the vital social services are the prerequisite of all self-government, they welcomed Mr. Malcolm MacDonald's further declaration, after the war had begun, that the British taxpayers would be asked to subscribe the sum of £50 millions as a free grant to aid the Colonies' straitened resources.

Those are the main reasons why the peoples of British Tropical Africa feel that the cause of the Commonwealth is as much their cause as it is that of its more prosperous or politically advanced communities, and can express their genuine devotion to it in the same high terms. The Kabaka of Buganda, who rules his kingdom in Uganda under "indirect administration", pledges his people to the "defence of freedom and justice for which the British Empire stands". Similar declarations have been made by all the rulers of the Nigerian "native" states. "I and my people", says the Emir of Kano, "are ready . . . to help His Majesty in every way we can." We will "stand by Britain", the Yoruba rulers jointly declare, "in the fulfilment of her sacred pledge". "The cause of Great Britain is our own", says the Oba of Benin. Nor is it only the ruling class that feels like that. The response of the educated

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democratically-minded African intelligentsia is just the same. "Nigerians", says the member for the Egba Division in the Legislative Council at Lagos, "as a small integral unit of the Empire, have pledged themselves to rally round and take shelter under the British flag proclaiming 'Liberty and Freedom'." "Take heart, ye sons and daughters of the Great Empire", said the *Ashanti Pioneer* on the morrow of the Battle of France. "The power of the Empire will be demonstrated now that we know we stand alone." After commending Mr. Churchill's confidence that "Britain will win as the liberator of the world", the *Spectator Daily*, another Gold Coast paper, describes it as an "honour that the Empire to-day stands to defend the rights of all peoples singlehandedly". The *African Morning Post*, also from the Gold Coast, prays for God's assistance in "fighting a holy war". "We pledge our unstinted support", ran a resolution of the Rural Areas Assembly in Sierra Leone, "to Great Britain . . . for the establishment and maintenance for ever of a standard among mankind of peace and goodwill, engendered by a sense of equity and justice." "We join with the rest of the Empire", runs a message sent by the Union of Sudanese in Kenya to the Governor of the Colony, "in offering our prayers for the success of our arms—the cause of freedom, civilisation and peace—and as loyal subjects and good Mohammedans we will always pray God that in his goodness, mercy and omniscience He will grant success to those who serve him."

Many more expressions of this universal attitude could be quoted, but it must suffice here to note that deeds have gone with words. Only a very small force of African troops was needed to maintain British rule in Tropical Africa in peacetime—not much more than 6,000 for East and West together, of whom less than 400 were British—and it has now been substantially increased in all the territories by voluntary recruitment. Thus Kenya and the Sudan are not left to face the Italian threat from Ethiopia by themselves. Besides the European land and air forces from Southern Africa, African troops from seven British dependencies are gathered for the

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common fight in Kenya. And those who have not offered their lives have offered their possessions. In every territory a stream of gifts, large and small, from communities and individuals, has been flowing in to feed the war-effort. A list of them is given in an appendix to this number.* Let the reader who peruses it reflect on the light it throws on the character of an "imperialism" which has made possible so spontaneous a sense of fellow-membership in one free commonwealth and of the duty of common service it implies.

Even more striking, perhaps, is the response of the British West Indies, for the world was made aware, not long before the war, that the people of those islands were by no means contented with their life under British rule. There was organised agitation, strikes, rioting, bloodshed. So serious was the situation that a Royal Commission was appointed whose report, if it was drastic in its condemnation of the social conditions it found in many places, was equally drastic in the remedies it proposed. Its large-scale plans for the social and economic reinvigoration of the islands were accepted by the Government, and it was intimated that a considerable part of the new Colonial grant would be spent thereon. Whether or not the local leaders of the agitation felt that their demands had been sufficiently met, they have not hesitated to subordinate them to the primary task of helping to win the war. "Let us be loyal to the flag that is hovering over us in Jamaica, it is ours", said Mr. Bustamente, the Labour leader who had taken a prominent part in the pre-war disturbances in that island: "we must forget all differences in the family and fight for a common cause against a common foe." In Trinidad, the other major island in which serious trouble had occurred, the reaction was the same. The leader of the Labour party assured the Government of its full support. "The trade union movement in this Colony", said its chief spokesman, "stands solidly behind the democracies." "As lovers of freedom and justice", ran a resolution passed by the Workers' United Front Committee, "we pledge our wholehearted support to His

* See p. 950, below.

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Majesty's Government and other democratic Powers who are fighting against the reactionary forces of Fascist rapine, aggression and domination." All this does not mean, of course, that the left wing of West Indian politicians has suddenly fallen in love with the British Empire: its press, indeed, continues freely to criticise the pre-war policy of British statesmen and the shortcomings of the local administrations. But it does mean that the West Indians realise that, if Britain has been disregarding of their interests since she freed them from slavery a century ago, if through ignorance or *laissez faire* she has left them to drift into destitution, at least she has never tried to exploit them for her own profit, and now she has undertaken to make good her past neglect. "Under German rule", observes the *Daily Gleaner* of British Honduras, "there would never have been any West Indies Royal Commission . . . and certainly no proposal to spend fifty million pounds on colonial welfare."

It is impossible within the limits of this article to describe the response of British Malaya and other tropical territories of the Commonwealth to the call of the war, but everywhere the story is the same. It is the same, too, in the European Colonies in the Mediterranean, where a keen sense of national individuality does not conflict in the hour of crisis with a pride and trust in the Commonwealth—Malta heroically facing the perils of her exposed position, Cyprus proving in the crowded recruiting offices the strength of her desire to take her share of the common effort.

In Burma and Ceylon, now far advanced along the road of self-government, there is the same conviction that the cause of the Commonwealth is the cause of freedom. Nor is it, when all is said, so very different in India. Every intelligent Indian detests the Nazi creed, upholds the cause of liberty and law, and wants it to prevail. The Nawab of Bhopal spoke for millions of his educated fellow-countrymen when he said:

The war is a grim and fateful struggle between ordered progress and barbarous aggression, between the reign of terror and the reign of law. India is most profoundly concerned in the success of the

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Allies, not only from altruistic motives but from selfish motives, as on the success of the Allied arms rest the ideals and attainments on which India has set her heart.

The great industrial and military effort which India is making to promote that victory has already been mentioned. Beside it must be set the steady flow of Indian gifts for war purposes. The one discordant note is the refusal of Congress to back the war effort unless its political demands are first conceded; and even that note might never have been sounded if only means could have been found for obtaining the assent of politically minded India to the inevitable decision to go to war. As it was, the crisis caught India when she was still standing on the threshold of Dominion Status, so that, while all the Dominions were free to choose, India was committed to war by a constitutional procedure which, though legally correct, provided for no consultation of the Indian people. That was bound to affront the self-respect of Indian nationalists, since the essence of nationalism is the claim to a footing of equal freedom in the society of nations. For that reason the recent announcement by the Secretary of State and the Viceroy ought surely to be welcomed by all Indian statesmen; for both in its spirit and in its most important clauses it treats India as already Britain's partner in the Commonwealth. More than that, whereas the Act of 1935, though the representatives of India were fully consulted, was primarily British work, the primary responsibility for framing a new Indian constitution is now declared to rest in Indian hands. It is hard to believe that on these terms Congress will persist in its refusal to join with all the other parties and communities in India in the common effort to save the world from barbarism. The British people for their part most earnestly desire to see the day when India attains her full free nationhood. It will be, as Macaulay said a century ago, the "proudest day" in our history. For it will mean that the Commonwealth has become in solid fact a world society, linking Asia and Europe in one communion of freedom. Since that is Britain's attitude, the impatience of Congress patriots is not in the deepest sense a breach in the

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moral unity of the Commonwealth. It is out of tune only because it is out of time. There is no basic discord that cannot be resolved.

Of the moral impulse that inspires the fully independent nations of the Commonwealth there is no need to speak. For, apart from Eire and the dissident South African minority, it is in all of them the same, as anyone knows who has read the contributions from the United Kingdom and the Dominions in *THE ROUND TABLE* since the war began. But there is one question to be asked and answered in conclusion. What is this "British freedom", as Burke called it, that unites and fortifies the Commonwealth? Has it a potency of its own that is somehow lacking in the forms which freedom takes elsewhere?

An answer to these questions may perhaps be found in the instinctive reaction of the British peoples to the developments of Hitler's programme of aggression. For it was only when the conflict between Nazism and Democracy was clearly seen to be not only a conflict of ideologies or a war of material interests, but a conflict between right and wrong, between the forces of good and the forces of evil, that public opinion throughout the Commonwealth was convinced of the dire necessity of fighting. That is indeed the justification of the policy pursued—whether skilfully or not one need not here enquire—by Mr. Chamberlain and his predecessors. Hitler had to be unmasked in all his villainy before the moral unity of the British peoples could be ensured. Up to that moment there were many who were unwilling to deny Germany what they considered her rightful freedom. It was when it became crystal clear that for Hitler freedom meant licence to violate every canon of decency that unanimity was secured. Thus the vast and multifarious war-effort of the British peoples has not, in the last analysis, sprung from obedience to the appeal of the State. It has been a response to the call of the individual conscience. Unnumbered men and women, after debate within themselves, have concluded that they could do no other than accept the Nazi challenge with all the sacrifice that such acceptance involved.

There is a passage in Lord Acton's essay on *Freedom in*

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Christianity, written in 1877, which applies with singular force to the inner history of these recent months:

The idea that religious liberty is the governing principle of civil and that civil liberty is the necessary condition of religious, was a discovery reserved for the seventeenth century. Many years before the names of Milton and Taylor, of Baxter and Locke, were made illustrious by their partial condemnation of intolerance, there were men among the Independent congregations who grasped with vigour and sincerity the principle that it is only by abridging the authority of States that the liberty of churches can be assured. That great political idea, sanctifying freedom and consecrating it to God, teaching men to treasure the liberties of others as their own, and to defend them for the love of justice and charity more than as a claim of right, has been the soul of what is great and good in the progress of the last two hundred years. The cause of religion, even under the unregenerate influence of worldly passion, had as much to do as any clear notions of policy in making this country the foremost of the free. It had been the deepest current in the movement of 1641, and it remained the strongest motive that survived the reaction of 1660.

"More than as a claim of right." Here we penetrate the secret of that inner strength which foreign observers in this island have noted during these summer months, some with unfeigned surprise, others as a mere natural fact, like the white cliffs of England. This is the cardinal reason why the British reaction to Hitlerism at home and overseas has been firmer than that of the democratic movement on the Continent, why the spiritual descendants of Hooker and Milton have stood upright in the storm before which the disciples of Rousseau, not to speak of Marx, have succumbed. Where Continentals have been thinking in terms of rights, British sentiment has held fast to the conception of duties—the duty of free men to their neighbours, using the State as one, and the most powerful, instrument for such service. We can see to-day that a structure of liberty that does not stand on spiritual foundations is a house built on the sands, liable to be overthrown by any passing convulsion, to have its formulas rewritten by any ephemeral band of politicians. But British freedom, because it is rooted in the sense of moral obligation, is stiffened by the impact of evil forces with which its very nature forbids it to

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come to terms. And what has done most to convince the British peoples that they must fight Nazi Germany to the death is just its wickedness—the fact that Hitler and his fellow criminals have conceived and ordered their countrymen to do things that are not done by decent men, even when a ruler commands them to be done. For, as Lord Camden put it in a famous judgment, embodying the true tradition of English law, “the sovereign authority, the omnipotence of the legislature, is a favourite doctrine, but there are some things that you cannot do”.

Here, in this conception of Law, not as the command of a superior but as the expression of the moral life of the community, we reach the deepest source of the unity of the peoples of the Commonwealth in the present crisis. Men have often fought in what they believed to be a spiritual cause, but there has never been a cause which challenged so directly the deepest convictions of multitudes of ordinary god-fearing folk. There have been religious wars, but they were wars of one religion against another, and this is a war of all religions against sheer heathenism. The Commonwealth includes adherents of more than one of the great faiths of mankind, but Nazism, in what it teaches and what it does, repudiates the essential idea of goodness which lies at the heart of them all. That is why this war, as General Smuts has said, “which began as Hitler’s war, will end as God’s war”.

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THREE things, at least, may be set down as certain about American opinion and policy in mid-summer 1940. (1) The next President of this Republic—Roosevelt or Willkie—will not administer a policy of relative isolationism, but will go just as far in the direction of aid to Britain as public opinion will permit him. (2) The full economic and man-power resources of the nation are being mobilized for action, whether for war, prevention, or aid to Britain. (3) Public opinion, in the majority, still hopes to avoid actual belligerency for the United States.

I

NOMINATION of Wendell L. Willkie as the Republican candidate for the presidency, and the re-nomination of President Roosevelt for the third-term attempt, assures a continuity of foreign policy. Mr. Willkie's views, as disclosed thus far, are almost exactly parallel to those of the Administration in the foreign field. In fact, with his close knowledge of American industry and the enthusiasm with which he is supported in business circles, his presidency might be even stronger and more effective than that of President Roosevelt in the gigantic economic mobilization program that is now under way.

Mr. Willkie is of German extraction. But his grandparents, who were the original Willkie migrants to this country, came in the wave of liberals who fled reaction in Prussia in '48, and have constituted ever since some of the most intelligent and stable American citizens. His mother as well as his father was a lawyer, and his youthful training was exact and open-minded. His university education was sound, he had a few years of rough-and-tumble work in many parts of the country,

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and finally settled down to a vigorous legal career in Ohio. From that work he was called to New York to head a huge holding company in the electric power industry. In 1932 he strongly supported President Roosevelt's original New Deal platform, and has found much to endorse in it since, but since 1933 he has combated the Administration's policy of public power plants in competition with private industry.

President Roosevelt, on the other hand, felt the world crisis so grave that he could not follow tradition and retire after a second term. He partly stage-managed, and then accepted, the nomination by his party. This violation of established custom in a nation where such traditions are often as strong as law has assisted the Willkie challenge. Obviously the President has an uphill fight if he is to be re-elected. And even if he succeeds, there would appear to be so large and resentful an opposing minority that the degree of national unity and good-feeling throughout such a third term might well be sadly jeopardized. However, if the war enters a graver or a disastrous phase, these partisan considerations would doubtless be swept away overnight and the nation would draw together under either leader.

The encouraging outlook, therefore, is that American policy will steadily go along without any recession from its present degree of aid to Britain, and, indeed, is almost certain to make steady advances therefrom. Many leaders of public opinion are already pressing hard for the sale or transfer of 50 or 60 United States destroyers to Great Britain. It is possible that action on this proposal may be taken by late August or early September, although it must be confessed to be rather unlikely at an early-August writing. For the larger mass of national opinion is still in the grip of cautionary and somewhat isolationist forces—or, to put it in the most accurate possible way, isolationist minorities are still strong enough to block really forthright and speedy action in aid of Britain. The sale or transfer of the destroyers, it must be recognized, would be a bold step, only slightly behind actual belligerency.

In a great many ways, of course, the United States is already

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in the war. Emotionally, the nation has been a participant from the beginning. Economically, we are now an increasingly effective participant. And in an even more tangible sense, this country—through the Havana Conference and all its western-hemisphere diplomacy—is actively combating the spread of Nazi-Fascist influence. The diplomatic relations which we preserve with Berlin are a mere travesty. Nazi embassy and consulate officials in the United States are under surveillance constantly. The report of an official inter-state Commission on Crime actually stated the other day that "espionage and sabotage can be expected from Nazi-Fascist consulates and business firms". The German Embassy protested; nobody paid much attention to its words.

As this is written, the battle over conscription is in full swing in the Senate. It seems virtually certain that some form of draft will be legalized, although there may be a delay before the first draftees can be called up. The President has already been authorized to call out the entire National Guard for a year's training. That means only about 183,000 officers and men, but it is a substantial addition to the present army. If a selective draft begins, it can start tapping a reservoir of from ten to forty millions. The purpose of the draft is not to build up the standing Army and Navy, but rather to assure the United States a reserve of trained man-power to be called when and if needed. As General Marshall, the Chief of Staff, succinctly said: "Paper plans no longer will suffice. The security of our country depends on having trained men . . . and there is no other way to do it."

Despite the logic of a situation which dictates the draft of man-power to handle the results of \$14,700,000,000 spending on armaments which is under way, there was serious protest against conscription. Many citizens think such a step should be deferred until wartime and connotes a degree of involvement which has not yet been reached. There gathered in Washington, finding expression on the floor of the Senate, a conglomerate of very vocal minorities which threatened to ruin the Bill. Yet it seemed evident that a majority in national

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opinion favored conscription. A Gallup poll in May showed the nation evenly divided on the issue; another similar poll at the end of July revealed 67 per cent. in favor of conscription. It did not seem likely that such a majority could be altogether thwarted.

The greatest American achievement of these months, and perhaps the factor of greatest real bearing upon the war, was the national defense program. The National Defense Advisory Commission, headed by the big-framed, humbly-born Dane who became president of General Motors Corporation, Mr. William S. Knudsen, has made great strides. It illustrates America's capacity for improvisation, and on the whole it has cut cleanly through partisanship, politics and personalities. It has scores of the nation's leading business men working full-time in Washington as "dollar-a-year-men", to organize the productive capacity of our entire industrial framework—from locomotives to safety-pins.

Perhaps the largest single achievement of this Commission has been the boosting of American aircraft production to 900 planes a month, or 10,800 a year, with the definite promise that by January 1, 1941, the rate will be 1,500 a month and 18,000 a year—and, says Mr. Knudsen, "the volume will increase steadily thereafter". The amount of this production which will be available for sale to Great Britain remains simply a matter for decision by the Administration from time to time, and up to date British orders have been consistently pushed ahead. It would not be surprising if further production earmarked in advance for the American Army or Navy might be available to Britain if required, in addition to specific British orders.

Labor, agriculture, raw-materials procurement, price-fixing and consumer protection are all provided for within the Defense Commission. Already 60,000 formerly unemployed workers are being trained for defense occupations, in addition to those who have been absorbed directly by industry, and 900,000 other unemployed skilled workers are registered and available for use when needed. In short, the

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entire American economic system is now running at a fast tempo under the stimulus of our own \$14,700,000,000 program and British orders. It is the strongest possible assurance of support to Britain if the war settles into a long-range struggle in attrition. For the American defense forces and materials are not being assembled against a mythical or anonymous enemy, but against the Axis Powers. The nation is a non-belligerent, but it is definitely in alliance with Britain within these terms of reference.

II

AND now perhaps much of the rest of this article can be devoted to the central question: Why does the United States not enter the war as a belligerent? Why does public opinion still hang back?

The simplest answer is to say that to plunge a great nation into war, when it is not actually and physically under attack or under immediate threat, is a very terrible decision to make. The threat to America is indeed great. Many Americans are prepared to admit this. The national unanimity which supports the defense program is a complete admission that the nation is in danger, an admission with which few take issue. But the threat is still not direct and immediate. And our enemy is already being fought by a gallant and effective foe. Britain, for her own defense, is doing our job for us. It is not pleasant for an American to state the problem in these terms. And some day, somehow, we shall have to re-pay our debt to Britain.

In 1917 Germany had sunk many American ships, had challenged and scorned the United States, before the nation got to the point of declaring war. Moreover, the decision came somewhat unexpectedly, after a presidential election won on the slogan: "He kept us out of war." The decision this time may be equally unexpected. What is still more important, in 1917 the nation had no real conception of what it was getting into. The kind of belligerency contemplated by President Wilson,

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and, indeed, requested at the outset by the Allies, involved economic and industrial co-operation scarcely going beyond what the United States is doing today. If it had been visualized in 1917 that the United States would send 2,000,000 men to France and reap the after-effects of the war, it would have been far more difficult to persuade Congress to declare war. There was scarcely an American who comprehended the potentialities of that 1917 decision.

But today the prospect of what happened then, and much more, stretches before almost every American. And the disillusioning aftermaths of the last war work powerfully upon the judgment of Americans. They want to be sure that they will get what they fight for. They want to be sure they imperatively must fight. They want to be sure they are defending genuine American interests, and that their whole war effort will be in this direction.

To go to war, a democracy needs to be virtually unanimous. The task of coercing a substantial dissident minority is far too dangerous. Therefore the isolationist minority here has been given a tremendous advantage. It has only to retain the assumption of continuing minority existence to retain decisive authority. To date, it is probably true that an actual if not a substantial majority of Americans would declare themselves opposed to entry into the war. A far greater majority is in favor of every sort of aid to Britain short of belligerency, even including such venturesome steps as the sale of destroyers. But there is yet no sign of crossing that all-important line, the declaration of war.

This majority of Americans which is still opposed to going to war—of whom is it composed?

Well, first of all, there are millions of citizens who are not world-conscious, who feel themselves centered in this continent and hemisphere, and who believe the United States can make the most effective stand for democracy here. If democracy is actually challenged here, they would be prepared to fight. Many of them are deeply and emotionally critical of the Old World. They are terribly disillusioned and fearful at the

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prospect of "overseas adventures". They can see no light as they look down that tunnel, but they can still see some openings through the clouds over the American skies.

Then there are many, and this probably includes a big majority of youth, who have been deeply indoctrinated against war at any price. They stand where the takers of the Oxford oath stood a few years ago, and for much the same reasons. They grew up in the atmosphere of the 'twenties and 'thirties, with all of literature and much of politics shouting with disillusionment at the outcome of 1914-18. But just as the British undergraduates who took the Oxford oath are to-day gallant defenders of their nation, so this majority of Americans would do their duty as soon as they were persuaded of the peril to their own nation.

There are still others who felt a short time back, after the fall of France, that defeat for Britain was unavoidable, and that the United States should thus hold off and make its fight on its own terms. They felt it was too late to get into the war at this stage, and that the relative insufficiency of American preparations made a wait essential. It may well be that in June and July President Roosevelt and his most expert advisers fell into this group. That may explain why there was a certain slackening in Administration support of aid for Britain, why the mosquito-boats which were to be transferred were called back, why the President until August 9 anyway had taken no action on the question of sending destroyers. But the longer the invasion of Britain was deferred, and the more gallant was the defense and the more insistent the counter-attacks, the more this defeatism wavered and sank.

The motives of these three aforesaid groups were more or less clear and understandable. They were all honorable, and all open to change. They were all more or less patriotic. But there are other groups which shade off into less pleasant colours.

There are the bitterly anti-British, the professional Irish, the hyphenate Americans whose loyalties are determined by their nation of origin. Several members of the Senate shared this

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professional bitterness, and fancied that a majority in their States did so too. The influence of the Irish is substantial. For the Irish in America are mostly living in the old Sinn Fein days, just as the French in Canada are seventeenth-century French. Some of them are under the influence of Father Coughlin, who has been an open Nazi propagandist for some time. And as the Vatican is again a prisoner on a dominated continent, there are signs that its influence here is now more pronouncedly pro-Axis, perhaps under pressure. The anti-Semites are also naturally part of the anti-war faction here. And the Communists are actively operative, especially within youth and labor movements.

Thus we see a special-interest core of anti-war propaganda and organization in the United States, seeking to retain around itself the snowball of mid-road nationalist opinion. So far, the effort has been successful. But if the mid-road folk are ever convinced of a genuine and immediate peril to America which requires action, they will sweep the special interests aside, just as they did in 1917. For these selfish factors do not produce American isolationism. They only manipulate it, and it can all be swept out from under their feet when the crucial awakening comes.

When will that awakening come? The question is impossible to answer explicitly. There are many Americans who earnestly believe the nation should get into the war at once. There are probably more of them than there are of the special-interest isolationists. They are constantly seeking to point the need for action before too late. There are other Americans who really believe the nation should go to war but who are reluctant to say so. They are gradually coming out of their shells, slowly speaking their minds. The influence of these two groups on the national thinking continues.

But surely the major decision depends largely upon events. Suppose Britain continues its gallant resistance to invasion, pulls through the summer and autumn, and as the war settles into a long struggle begins to feel the need of food and supply ships. Suppose the toll on shipping seems to require American

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bottoms and convoys. Such aid would almost certainly be forthcoming. It would be a logical outgrowth of previous assistance, especially if the destroyers are transferred. And with such aid, America's contribution to the war might be adequate. Actual belligerency might not be necessary. Indeed, the kind of help we will almost surely be giving by next spring will be scarcely distinguishable from belligerency.

If—and one hates even to speculate on the possibility—the invasion of Britain is successful, then the United States' course of action will be determined by the policies which are followed by the British Commonwealth of Nations. If some naval resistance on a long-range basis is still being offered, the United States would probably participate fully as a belligerent. If resistance had collapsed, the Nazi-Fascist-Japanese challenge to the western hemisphere would probably not be long delayed, so we would be a belligerent anyway.

It would be mistaken to assume that the mere conclusion of the presidential election will produce as striking a change as came after President Wilson's re-election in 1917. There is nothing necessarily decisive about getting the election out of the way. Even if President Roosevelt is re-elected, the opposition to him is sufficiently bitter to leave him many problems inside and outside Congress. He might quite possibly be blocked by a hostile House or Senate, and faced by a resentful and divided national opinion. And even if he attains quite a majority, it is most unlikely to be taken as a mandate for war.

It is true enough that for the period of the campaigning, policy may be somewhat hampered and stultified. For some reason, from late May until mid-August at least, President Roosevelt was not pushing ahead with aid for Britain with his former vigor. He made no effort to combat the narrow isolationists within his party who made its Chicago platform declaration on foreign policy an ambiguous jumble. He withdrew his mosquito-boat plan. He did not advance the destroyer project. He seemed to have gone into an air-raid shelter, even being extremely cautious in his support of conscription.

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In all this the heavy hand of the campaign was very evident. But perhaps it need not have been. Independent of the President, public opinion in August was beginning to ask for a stronger resumption of the aid program, was beginning to seek the transfer of the destroyers, and recorded itself in favor of conscription and of an even speedier prosecution of the defense program. With the public so active, it would soon appear to be vote-getting strategy for the candidates to come along, and for the Administration to resume its pressure for aid.

Basically, therefore, American policy flows along and responds primarily to events in Europe, secondarily only to domestic politics. The same will be true after election day. And seeking to look ahead into the misty days and weeks, one can visualize a steady continuance of aid to Britain up to a point where it is virtual belligerency. But one cannot visualize a declaration of war, or the preparation of an expeditionary force, or of actual use of the American Navy to convoy ships except perhaps for child refugees. One can only see continuance and evolution of present American policies, not a sudden revolution in the direction of war. Yet, if it is true that our policy is dependent on events, then events may produce this revolution. The startling incident may happen. Suppose we decide to transport and convoy refugee ships; suppose one is sunk. The consequences might be immeasurable, although even here a word of caution is needed. Public opinion in these days has suffered many shocks; it is immune to much sensationalism. It is wrong, therefore, to assume glibly that even a shocking and tragic event of this nature would inevitably bring the United States in. No; there is only one really safe conclusion. This country will become an actual belligerent, if it actually does, only when the Nazi challenge to our immediate interests becomes palpable to most of our citizens. We drift steadily toward more help for Britain, but there is no evidence that under present circumstances the challenge to our interests is becoming any more palpable to our citizens. The situation is precisely in suspense.

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III

A FINAL word about inter-American diplomacy. The Havana Conference was an amazing success. Its commitments, true enough, are the pledge and not the deed. But they are tremendous commitments, and there is a very real chance of making them stick when the rub comes. Cordell Hull said that "the agreements have cleared the deck for effective action". By his patient efforts to take away the curse of United States imperialism, Secretary Hull personally brought the conference through to success.

The Convention of Havana, which alone of the agreements reached there requires ratification, sets up the machinery to seize and administer any European possessions in this hemisphere which are threatened with transfer of sovereignty. An additional emergency resolution gives the United States Pan-American sanction to take over a colony, if an emergency requires, before the Convention goes into effect. An effective anti-Axis blow was thus struck in the Convention and the emergency resolution.

In exchange for this implementation of the Monroe Doctrine, the United States agreed to a declaration that "Any attempt on the part of a non-American State against the integrity or inviolability of the territory, the sovereignty, or the political independence of any American State shall be considered an act of aggression against the States which sign this declaration". Thus the United States pledged military protection of the hemisphere. These achievements were made possible despite—and to a degree because of—the efforts of Axis propagandists at Havana to sow discord. Latin America remains a vast battleground, but the United States has been able to win the first round. It was entirely the victory of the tired, gray Tennessean—Secretary Hull—who has patiently fitted together for seven years the stones of inter-American unity, and who still does not hesitate (even under the epithet of Saint Hull) to preach his doctrine of the rule of law and the possibility of an international order.

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So the suspense continues. And as was said at the opening of this article, we can be certain only that American policy is moving in the right direction. Its rate of speed can only be altered by events still in the womb of time. It is perilous to write in these terms, for even as this manuscript wings its way across the Atlantic, even as it is prepared for publication and circulated, the events may themselves be emerging. But as yet we still wait.

United States of America,

August 1940.

SEEKING A SOLUTION IN INDIA

I. POLITICS AND THE WAR

ANOTHER effort has been made in India to end the constitutional deadlock. Indians of all political persuasions have been profoundly impressed by the gravity of events in Europe, and since the invasion of the Low Countries and the fall of France there has been an insistent demand for political unity, so that the country may assume its rightful place in the fight against Nazi aggression. The trend of the war has given fresh significance to the strategical position of India in relation to the British Commonwealth, and it is everywhere realised that the political future of the country largely depends on a British victory. The spread of the war to the Mediterranean has brought the Nazi and Fascist menace closer to Indian shores, and fighting is already taking place in the neighbourhood of the outer bastions of Indian defence at Alexandria, Egypt and elsewhere.

In view of these new developments a new mood has come over political thinking. Except in extremist circles the view is now rarely expressed that Great Britain is engaged in an imperialist war, and moderate opinion would like to see the constitutional controversy put in cold storage for the duration of the war, asserting that political grievances against Great Britain are of secondary importance when contrasted with the possibilities of Nazi domination. All would like to see India playing an even more important part than she has done in contributing to the common effort of the Commonwealth, although the leaders of the Congress party continue to say that a British declaration of independence is still necessary before they can appeal to their supporters to give their full moral and material aid to the country's war effort.

Though the attitude of the principal political organisation in this country was thus unchanged, the Viceroy, Lord Lin-

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lithgow, once again summoned party leaders to meet him to make yet another attempt to find a solution that would be satisfactory to all. He saw Mr. Gandhi, representing the Congress; Mr. M. A. Jinnah, President of the Moslem League; Mr. V. D. Savarkar, President of the Hindu Mahasabha; and the Jamsaheb of Nawanagar, Chancellor of the Chamber of Princes. It is reasonable to assume that the British Government's suggestions for a solution were placed before these leaders. In the absence of any authoritative information it is generally believed that the Viceroy explained the Government's post-war intentions towards India, and made suggestions for securing the collaboration of all political parties for prosecuting the war, pending a final settlement of the constitutional question. Earlier declarations, both by the Viceroy and spokesmen in Parliament, had made it clear that the goal for India was Dominion Status, but Indian critics had indicated that there was need for specific explanations as to how and when the status would be established. What actually transpired at the interviews was not made public at the time.

While several Congress leaders are anxious to see a new approach to the problem, it was clear when Mr. Gandhi met the Viceroy that the higher-placed members of the party were still bound by the resolution passed at Ramgarh, which rejected Dominion Status as a solution and said that nothing short of complete independence could be accepted by the Indian people. Some Nationalist newspapers had held, prior to the passing of the Ramgarh resolution, that an honourable settlement on the basis of Dominion Status was as much in the interest of India as of Great Britain, and that a "free" India would agree to co-operate with Great Britain. But before the meetings with the Viceroy took place Nationalist opinion appeared to assume that the situation had changed, and there was a general demand in Congress circles that independence should be conceded and that a National Government, with direct responsibility to the people, should be formed forthwith. It is evident that the British authorities had no such drastic changes in mind, and the most that was expected from the

THE CONGRESS ATTITUDE

Viceroy's suggestions for a solution was an expansion of the Viceroy's Executive Council to include representative party leaders to assist in prosecuting the war. In addition it was thought that a special war council would be established, which would enable representative public men from British India to collaborate with the Indian Princes, in a consultative and advisory capacity, for war purposes.*

II. THE CONGRESS ATTITUDE

MR. GANDHI gave an account of his interview with the Viceroy to the members of the Congress Working Committee, who assembled at Delhi for the purpose. After five days' discussion the Committee issued a resolution which showed that, while there were divisions of opinion within Congress on matters of war policy, there was none regarding policy on the constitutional issue. The resolution said that the Committee was more than ever convinced that the acknowledgement by Great Britain of the complete independence of India was the only solution for the problems facing both countries, and was of the opinion that such an unequivocal declaration should be made immediately. As an immediate step towards giving effect to such a declaration the Committee urged that a provisional National Government should be constituted at the Centre, which should be such as to command the confidence of the elected elements in the Central Legislature and secure the closest co-operation of the responsible Governments in the Provinces. The Committee asserted that unless such steps were taken, all efforts at organising the material and moral resources of the country for its defence could not in any sense be voluntary or as from a free country, and would therefore be ineffective. On the other hand, if the measures sought by Congress were adopted, the party would throw its full weight into the effective organisation of defence.

The meeting which resulted in this decision will be memorable in India, as it also resulted in Mr. Gandhi declaring that

* See the Statement of Policy of August 8, p. 861, below.

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the policy of the Working Committee departed from the spirit of the Ramgarh resolution, in the sense that the Committee had abandoned the party's policy of non-violence as applying to the defence of the country. Prior to the passing of the Delhi resolution the Congress policy implied that, so far as the party was concerned, there would be no participation in the war except for the moral influence which Congress could exercise if its demand for independence were met. The new resolution made a more realistic approach to the war issue, and implied that Congress would collaborate in winning the war if the preliminary demand for immediate independence were conceded. It was clear from a statement issued by Mr. Gandhi that he did not favour that course, and his attitude was emphasised in an appeal he made to the people of Great Britain that they should apply his principles of non-violence to Hitlerism. On the other hand, Mr. Gandhi did not sever himself entirely from the Committee's resolution. After admitting that it had been drafted mainly by Mr. C. Rajagopalachariar, former Premier of Madras, Mr. Gandhi advised, as a disinterested but staunch friend, that the British Government should not reject the hand of friendship offered by Congress.

The Nationalist press endorsed Mr. Gandhi's view. The resolution was generally regarded by Indians as a marked advance on anything the Congress party had so far proposed, although sections of the British-owned and Liberal press maintained that, so far as the independence demand was concerned, it showed no change on previous Congress statements, which had been rejected as impracticable. The *Hindu*, of Madras, asserted that the British Government and non-Congress organisations in the country would not find it easy to evolve a better or more workable alternative than that proposed in the resolution, but the *Leader*, of Allahabad, said that the Congress in its quest for power was not taking a dispassionate, judicious and realistic view of the situation, having regard to the attitude of other political parties to its political demand. In its analysis of the Congress resolution the *Leader* said:

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From its own point of view the Congress committed a grave political blunder in surrendering power in the Provinces and by throwing away the fruits of a decisive victory. And this it did without consulting the constituencies which placed the Congress in power. It is trying to retrieve the blunder by stipulating terms, the acceptance of which will mean the establishment of its control in the Centre and its rehabilitation in the Provinces in which it ruled. This is the implication of the Congress Working Committee's resolution. The power it seeks is for the ending of the British connexion and the assertion of India's complete independence. The prospect of Congress rule over the whole country cannot be welcome to those who had an unhappy experience of it in the Provinces. It had an unique opportunity of winning the confidence of all classes and it lost it. It thus seriously weakened its position in the country and brought disillusionment to many of its former supporters. The policy of inaction it pursued after vacating office spread demoralisation in its own ranks. It has shown itself incapable of adjusting its policy to the menacing realities of the international situation and of interpreting the predominant feeling of the country, which is one of safeguarding the internal and external security of the country by co-operating with the Government in its efforts to ensure it.

These views reflect the opinion of nearly all non-Congress elements, who are wearying of the controversy and would like to see the British Government imposing its own solution, so that the country may intensify its efforts to win the war.

III. A NATIONAL GOVERNMENT

WHILE Congress leaders have not clearly explained what they mean by a National Government, they have definitely indicated that it does not mean merely an expansion of the Viceroy's Executive Council. The Working Committee implied that the Government must derive its mandate from the elected elements of the Central Legislature, in which the Congress has a majority. This is unacceptable to other parties, particularly the Moslem League, which seeks equality of status with the Congress in whatever central government may be formed. But the form of central government envisaged both by the Congress and the Moslem League is not contemplated by the British Government. Clearly, what has been offered is

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party representation on the existing Council without prejudice to the main constitutional issue, which will be decided when the war is over.

The Congress is unwilling to be associated with such a Government unless its demand for independence is met, while Mr. Jinnah will not associate the Moslem League with a National Government in which Congress may have a majority. Some Nationalist commentators have said that Congress is not asking for majority control at the Centre, but that would be the logical outcome of a government based on existing representation in the Central Legislature. To Mr. Jinnah such a Centre would be "a permanent Hindu majority government—a position which will never be accepted by Moslems". The Hindu Mahasabha has indicated its willingness to accept Dominion Status at the end of the war, but even Dominion Status is unacceptable to the Moslem League if it means Hindu supremacy at the Centre, nor are the Indian Princes enamoured of Dominion Status, until they are satisfied that their treaty rights are to be safeguarded, in some cases in a manner that will militate against the working of a genuine Dominion. The unwillingness of the Congress party to give due weight to these various policies, which are mutually contradictory, is largely responsible for the deadlock, and no effort has yet been made by Indians themselves to reconcile their views in a manner that would present the British authorities with an entirely new situation.

The truth is that the Congress party prefers to regard the constitutional issue as a matter between the party and the British Government and no one else. Its leaders claim that the just demands of other parties will have full consideration when the country has been granted independence, but they show no inclination to settle party and communal differences beforehand. As Mr. Gandhi has said, "the Congress, which professes to speak for India and wants unadulterated independence, cannot strike a common measure of agreement with those who do not". This is the kernel of the controversy. While British commentators hold that some measure of agreement between

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parties is necessary, if anything in the nature of a national body is to be formed, Congressmen assert that the party would betray its trust if it compromised on the independence or freedom issue. This attitude becomes paradoxical when Mr. Gandhi says that the British Government would not ask for a common agreement if it recognised any one party to be strong enough to take delivery from the British, and he admits that the Congress has not that strength to-day. He says that the party has attained its present position in face of opposition, and, if it does not weaken, it will develop strength enough to take delivery, and he points out to his followers that it is an illusion created by themselves that they must come to agreement with all parties before they can make any progress. He contends that there is only one democratic elected political organisation—the Congress; the others are self-appointed, or elected on a sectional basis. The Moslem League, while elected on a popular basis, he claims to be frankly communal, seeking to divide India into Hindu and Moslem states. Thus, in Mr. Gandhi's opinion, there are only two parties in India—the Congress and those who side with it, and the parties who do not. He maintains that between the two sides there is no meeting ground without the one or the other surrendering its purpose.

In view of this frank admission that Congress and non-Congress policies are incompatible, it is difficult to explain how the Nationalist press continues to blame the British authorities for the deadlock. Clearly, in the circumstances, the British Government can only seek a compromise that will not bring about a head-on collision between those who disagree with each other in India. The deadlock persists because the Congress party and the Moslem League are at variance with each other in their proposals for a solution, and both are in disagreement with the British Government regarding the merits of independence. The Congress seeks independence of the British; but while the Moslem League also seeks independence of the British, it seeks in addition, even more emphatically, independence from Hindu domination. The political

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extremism on the part of the Congress has led to communal extremism on the part of the Moslem League, and the stalemate will continue until statesmanship devises some form of agreed procedure by which both the communal and constitutional difficulties may be ironed out.

The press generally, including some British-owned newspapers, has been urging the formation of a National Government at the Centre, presumably loosely formed to represent the principal parties. It has also urged the return of popular governments in those Provinces where the Congress vacated office. These measures are sought to enable the country to prosecute the war and to forget, for the time being, the conflicting political arguments which hinder a final settlement of the constitutional controversy. But the resolution of the Congress Working Committee clearly states that the constitutional question must first be disposed of, before the party can consider rendering its help in prosecuting the war. "Thus", said the *Times of India*, "we are back again in the same old vicious circle which the latest Congress resolution does nothing to break." The paper pertinently asks how there can be a National Government in India if internal political unity is lacking, and holds that to talk of a National Government without first ensuring the national character of its composition is a contradiction in terms.

IV. THE WAR EFFORT

THE fact that the Congress party has not formally associated itself with the country's war effort has not seriously detracted from the significance and importance of what the country has done for the allied cause. Congressmen, no less than representatives of all other parties, have clearly shown that they have no sympathy for either Nazism or Fascism and are anxious for a British victory. Their unwillingness actively to support the war effort in the absence of a declaration of independence does not obscure the fact that they are desirous of rendering support. It is true that Mr. Gandhi has urged the British people to combat Hitlerism with "non-violence"; but

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on this issue he has broken with his own colleagues who prefer the more realistic attitude of meeting Hitlerism with its own weapons while maintaining non-violence as a policy for domestic purposes. What Great Britain loses by non-Congress support for the war effort is the moral influence such support would have in the eyes of the world. Nationalist commentators attach special significance to opinion in the United States on this question, but impartial observers in that country need only examine the political picture in India if they are anxious to understand the seriousness of the difficulties which have been raised by the Congress demand for immediate independence. Although Congress might win at the polls over such an issue, it has to be remembered that only about 35,000,000 out of approximately 400,000,000 people in India have the vote, and these are subjected to the insistent pressure of a press predominantly Hindu and generally pro-Congress. In any event, the Moslem League refuses to accept the principle of majority rule that must inevitably follow the establishment of an independent government, and until the League and other minorities are prepared to accept the kind of constitution wanted by Congress there would appear to be no prospect of a solution without the risks of civil strife.

Meanwhile, all sections of the community, not excluding the Congress press, have been urging greater defence measures for the country. This demand has been so insistent that even the Defence Department of the Government of India has been forced to respond to the public clamour. As in Great Britain in the early months of the war, public opinion in India has frequently been ahead of official enterprise, although official failure to inform the country of the scope and extent of the war effort has been responsible for much ill-informed criticism. This has to some extent been rectified by the creation of a special information department; but, although the publicity authorities have been greatly increased in number, few of them have any real appreciation of what is needed to keep the public, both in India and oversea, informed of what India has done and is doing to win the war.

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The range of the Indian war effort has been remarkable and is unique within the Commonwealth. Expeditionary Forces are maintained in Egypt, Aden and Singapore. The personnel of the Royal Indian Navy has been trebled since war broke out, and further schemes of expansion are contemplated. Plans are being forwarded for the quadrupling of the Indian Air Force. The spread of the war to the Mediterranean, with its consequent extension of hostilities to areas nearer India, has resulted in plans for the immediate expansion of the Indian Army, and the first 100,000 of this new force is in process of creation. During the last war more than 1,000,000 Indian soldiers were in the field in various theatres of war, and there are indications that a similar force could be raised for this war if it should be required. Although thousands of army personnel have already proceeded overseas, the Army in India is stronger to-day than it was when war broke out. This has been made possible by reinforcing the regular units, embodying the territorials, raising new garrison companies, and accepting the services of the Indian States forces for collaboration with imperial troops. The scheme of restricting Indian officers to a limited number of army units has been abandoned, and arrangements are now being made to recruit officers for all branches of the service. Steps are being taken to provide for a potential output of 1,100 officers a year, while the training of officers at the Indian Military Academy at Dehra Dun is being speeded up.

The difficulty hitherto faced in equipping the new forces is now being overcome, and the country is being transformed into a vast arsenal. Since the war broke out India has supplied Great Britain, France, Egypt and the Dominions with munitions and war supplies surplus to her own requirements, and continues to do so, and projects are now being developed which will extend the range of munitions to be manufactured in India. A War Supply Board has been created, and it is significant that the portfolio rests in the hands of an Indian Minister. The board is co-ordinating the activities of all ordnance factories, which have been increased in number and enlarged in size, and all civil industrial organisations engaged

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in war work. Under this new organisation the most modern types of weapons and munitions will be produced, including field-guns and anti-aircraft guns. The possibilities of manufacturing aircraft in the country are being examined, and the shortage of machines which has hindered greater air force expansion may presently be met by purchases abroad, under the direction of an expert who has proceeded to the United States.

Large sums of money continue to pour into the Viceroy's War Purposes Fund, for which no direct appeal has been made. It was opened to receive the unsolicited gifts of those who are anxious to do something for the war, and it has been generously helped by Princes and peasants alike. An Indian Defence Savings Movement has been inaugurated on a wide basis to facilitate regular contributions to finance the enlargement of the army. Civic Guards and District War Committees have been formed in most of the Provinces, for maintaining public order and augmenting local defence measures. Imports and exports are controlled to conserve the imperial currency situation. A.R.P. measures have been adopted in various places, notably in cities and towns. An Economic Resources Board provides a centre for the discussion of special economic problems. These various projects do not exhaust the wide range of war activities which have been started or are contemplated, and but for the complications caused by the political controversy it is clear that India would take a leading place among the units of the Commonwealth in the range and comprehensiveness of its war effort.

India,

July 1940.

On August 8 Mr. Amery, Secretary of State for India, made the following statement in the House of Commons. It had been issued, he said, in India that morning by the Governor-General.

India's anxiety at this moment of critical importance in the world struggle against tyranny and aggression to contribute to the full to the

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common cause and to the triumph of our common ideals is manifest. She has already made a mighty contribution. She is anxious to make a greater contribution still. His Majesty's Government are deeply concerned that that unity of national purpose in India which would enable her to do so should be achieved at as early a moment as possible. They feel that some further statement of their intentions may help to promote that unity. In that hope they have authorised me to make the present statement.

Last October, his Majesty's Government again made it clear that Dominion Status was their objective for India. They added that they were ready to authorise the expansion of the Governor-General's Council to include a certain number of representatives of the political parties, and they proposed the establishment of a consultative committee. In order to facilitate harmonious co-operation, it was obvious that some measure of agreement in the Provinces between the major parties was a desirable prerequisite to their joint collaboration at the Centre. Such agreement was unfortunately not reached, and in the circumstances no progress was then possible.

During the earlier part of this year I continued my efforts to bring the political parties together. In these last few weeks I again entered into conversations with prominent political personages in British India and the Chancellor of the Chamber of Princes, the results of which have been reported to his Majesty's Government. His Majesty's Government have seen also the resolutions passed by the Congress Working Committee, the Moslem League, and the Hindu Mahasabha.

It is clear that earlier differences which had prevented the achievement of national unity remain unbridged. Deeply as his Majesty's Government regret this, they do not feel that they should any longer, because of those differences, postpone the expansion of the Governor-General's Council, and the establishment of a body which will more closely associate Indian public opinion with the conduct of the war by the Central Government. They have authorised me accordingly to invite a certain number of representative Indians to join my Executive Council. They have authorised me further to establish a War Advisory Council which would meet at regular intervals and which would contain representatives of the Indian States and of other interests in the national life of India as a whole.

The conversations which have taken place, and the resolutions of the bodies which I have just mentioned, made it clear, however, that there is still in certain quarters doubt as to the intentions of his Majesty's Government for the constitutional future of India, and that there is doubt, too, as to whether the position of minorities, whether political or religious, is sufficiently safeguarded in relation to any future constitutional change by assurances already given.

There are two main points that have emerged. On those two points his Majesty's Government now desire me to make their position clear.

The first is as to the position of minorities in relation to any future constitutional scheme. It has already been made clear that my declaration of last October does not exclude examination of any part either of the Act

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of 1935 or of the policy and plans on which it is based. His Majesty's Government's concern that full weight should be given to the views of minorities in any revision has also been brought out. That remains the position of His Majesty's Government.

It goes without saying that they could not contemplate transfer of their present responsibilities for the peace and welfare of India to any system of Government whose authority is directly denied by large and powerful elements in India's national life. Nor could they be parties to the coercion of such elements into submission to such a Government.

The second point of general interest is the machinery for building within the British Commonwealth of Nations the new constitutional scheme when the time comes. There has been very strong insistence that the framing of that scheme should be primarily the responsibility of Indians themselves, and should originate from Indian conceptions of the social, economic and political structure of Indian life. His Majesty's Government are in sympathy with that desire and wish to see it given the fullest practical expression, subject to the due fulfilment of the obligations which Great Britain's long connection with India has imposed on her and for which His Majesty's Government cannot divest themselves of responsibility.

It is clear that a moment when the Commonwealth is engaged in a struggle for existence is not one in which fundamental constitutional issues can be decisively resolved. But His Majesty's Government authorise me to declare that they will most readily assent to the setting up after the conclusion of the war with the least possible delay of a body representative of the principal elements in India's national life in order to devise the framework of the new Constitution, and they will lend every aid in their power to hasten decisions on all relevant matters to the utmost degree. Meanwhile they will welcome and promote in any way possible every sincere and practical step that may be taken by representative Indians themselves to reach a basis of friendly agreement, first upon the form which the post-war representative body should take and the methods by which it should arrive at its conclusions, and secondly upon the principles and outlines of the Constitution itself.

They trust, however, that for the period of the war (with the Central Government reconstituted and strengthened in the manner I have described, and with the help of the War Advisory Council) all parties, communities and interests, will combine and co-operate in making a notable Indian contribution to the victory of the world cause which is at stake. Moreover, they hope that in this process new bonds of union and understanding will emerge, and thus pave the way towards the attainment by India of that free and equal partnership in the British Commonwealth which remains the proclaimed and accepted goal of the Imperial Crown and of the British Parliament.

DIVIDED IRELAND

I. PORTENTS

THE portentous events which, during recent months, have followed each other in startling and rapid succession make it abundantly clear that Ireland cannot reasonably hope to remain immune from attack or invasion. The strategic unity of these islands makes it almost inevitable that sooner or later, and probably sooner, Ireland will be involved in the battle for Britain. As one inoffensive neutral State after another has been ruthlessly overrun and ravaged, none but the wilfully blind could fail to see that only British sea power has so far preserved us from a similar fate. The seeds of Nazi intrigue, whose fruit is now so familiar elsewhere, are commencing to sprout freely here in congenial soil. We also have our ready-made Fifth Column, and evidence of its activity has become both cumulative and overwhelming. On May 7 two Civic Guards, who were conveying important state correspondence in a motor-cycle combination through Dublin, were suddenly attacked in Holles Street by several men in a motor-car armed with Thompson machine-guns. The guards pluckily defended themselves and, although they were both seriously wounded, repulsed their assailants, one of whom was wounded. In spite of the Government's offer of a reward of £5,000 no one has since been made amenable for this attack, the purpose of which was clearly to obtain information. In a broadcast on the following evening Mr. De Valera made it clear that the Government was determined to govern. After pointing out that every party in the state was now free to achieve its aim by peaceful means, and that the use of violence was therefore not only unjustifiable but a wanton attack upon the whole community, he said that the Government had for many years shown an extraordinary patience, he was afraid he must say now an excessive patience,

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towards the extremists. Putting their hope in patience they had punished mildly and with reluctance. That policy was not altogether without fruit, for everybody now realised that the Government would not go to extremes without grave and persistent cause, but, as regards the men who were now in hiding and planning new crimes, the policy of patience had failed and was over. After referring to the steadfastness and bravery of the wounded guards as an example to every citizen, he said that danger threatened now from within as well as from without, and that a deadly conspiracy existed which did not hesitate to declare war on the freely elected Government. He concluded by warning the conspirators that the law would be enforced against them with the utmost rigour.

Three days later, on May 12, an attempt was made to blow up the premises of the Royal Cork Yacht Club at Cove, County Cork. Fortunately prompt police action surprised the perpetrators in the act, and an explosion, which would probably have wrecked a large part of the town, was prevented. One of those concerned was captured. Subsequent police investigations led to the discovery of a miniature bomb factory in a disused Cork store. The only reason one can suggest for the attack on this club, which is one of the oldest yacht clubs in the world, is its royal title and the desire to create a state of anarchy. During the trial of one Anthony J. Magan before the Special Criminal Court or Military Tribunal on May 17 it was proved that the police had found in his room £100 in Bank of England notes and a letter addressed to the "Adjutant General G.H.Q. Dublin". A document found on his person disclosed plans for tampering with the loyalty of the military and police. He was sentenced to twelve months imprisonment. But the climax of these peculiar events was reached when the Civic Guards on May 22 raided "Kronstanz", the suburban residence of Stephen Carroll Held, a director of a Dublin sheet-metal factory. After breaking into a locked room on the premises they discovered a used open parachute; a tie with a German tab marked "Berlin"; an attaché case containing documents referring to the collection of information of a military character

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regarding Irish harbours, aerodromes, roads, bridges, landing grounds and disposition of the defence forces; a code and papers relating to wireless telegraphy and the morse code; a military cap with German and Austrian medals of the last war and a flying badge of the present German Air Force; a wireless transmitting and receiving set; and a box containing 20,000 United States dollars. Held, who was immediately arrested, told the police that the room had been occupied for several days previously by a strange man who had introduced himself as Heinrich Brandy, but he was unable to explain why this stranger had not returned. Held was subsequently charged before the Special Criminal Court with various offences under the Emergency Powers Act 1939 and, after conviction on some of these charges, he was sentenced to five years penal servitude. Most of the trial, for obvious reasons, took place in camera. Mrs. Iseult Stuart, a daughter of Madame Maude Gonne MacBride, who was charged with failure to give information concerning Mr. Held's mysterious visitor, was also tried in camera but was acquitted. On June 13 detectives arrested a man who gave his name as Karl Anderson, whom they observed travelling from Tralee in County Kerry to Dublin without any luggage except a brown paper parcel, which was found to contain £215 in sterling and 1,910 United States dollars. In reply to questions Anderson stated that he had come from Rotterdam in a British boat, of which he could not give the name, and that he had been landed in Dingle Bay on the night of June 12. Anderson was charged with landing unlawfully and after trial by the Special Criminal Court was sentenced on July 8 to three years penal servitude.

These startling occurrences forced the Government to take drastic action. On June 4 there was a police round-up of all the known members of the I.R.A. and kindred organisations, some four hundred of whom were interned in Cork male prison under military guard. Shortly afterwards the Government by an Emergency Powers Order abolished the Commission set up to consider representations made by interned persons and delegated their powers to the Minister for Justice.

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On June 8 it was announced that all persons entering Great Britain from neutral Ireland would require to obtain a special visa from the United Kingdom permit office in Dublin and that this would only be granted to persons who could prove that it was necessary for them to travel to Great Britain on business of national importance. Apparently as a reprisal for the seizure of the money found with Held and Anderson, armed raids were made on three banks in the Falls Road, Belfast, on June 28 during which a cashier was wounded and £4,000 taken. Favoured, as usual, by the element of surprise, the raiders escaped with their booty and no arrests have since been made.

On August 1 the Irish-owned ship *Kerry Head* was bombed by a German aeroplane near Kinsale off the Cork coast within Irish territorial waters but was not struck by the bombs. The Irish Government through its Chargé d'Affaires at Berlin has lodged a protest with the German Government and claimed damages for injury to the ship caused by the shock of the exploding bombs.

An interesting light has been thrown on government policy by the case of Thomas MacCurtain, who was recently sentenced to death for the murder of detective John Roche. MacCurtain's father, who was an officer in the I.R.A. and Lord Mayor of Cork, was killed by the British police force in 1919 as a reprisal for the killing of one of their comrades by the I.R.A. Early in July the Government announced that a petition for MacCurtain's reprieve had been rejected and that the execution must proceed. On July 5, the eve of the execution, an application was made to the High Court for a habeas corpus order, which was refused, but the execution was postponed to July 13. On July 11 the Government announced that MacCurtain had been reprieved and his sentence commuted to one of penal servitude for life. Has the death sentence on the policy of patience also been cancelled?

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II. PRECAUTIONS AND PARTITION

MR. DE VALERA's appeal for a united front against violence received an immediate answer. On the following day, May 9, Mr. Cosgrave, the leader of the Fine Gael party, announced in the Dail that his party would not contest the forthcoming by-election in West Galway and would not move for the writ for a by-election in County Kilkenny where a vacancy also existed. Mr. De Valera, whilst expressing appreciation of Mr. Cosgrave's action, announced that the election in Galway would proceed. The government candidate, Mr. John J. Keane, was, however, opposed by Mr. M. Donnelan representing a new farmers' party called the "Sons of the Soil". Mr. Keane was returned by a majority of 9,000 votes. Speaking during the election on May 13, Mr. De Valera, referring to the invasion of Belgium and the Netherlands, which had just taken place, said that those two small nations were fighting for their lives and it would be unworthy of this small nation if he did not utter its protest against the cruel wrong that had been done against them. Expressing his appreciation of Mr. Cosgrave's patriotism in not forcing a contest, he said that, as the vacancy in Galway had existed for ten months, the Government felt they should show that they were not afraid to face the people. Speaking at Galway again on May 26, he announced that he had recently met representatives of the various parties in the Dail and that as a result he was able to say they would stand as one in helping to preserve the country's freedom. He expressed the determination of the Government to resist any invasion of the country and said it would be the end of everything if there were division amongst the people. A recruiting campaign would, he said, be immediately begun to bring the army up to war strength. At the same time a local security force, designed to prevent surprise attack from the air and to counter treasonable activity, would be created, and black-out arrangements would be perfected. The supply of arms and ammunition to these new military forces raises questions to which the answers are by no means

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clear. Amplifying this statement, Mr. De Valera announced in the Dail on May 28 that in agreement with the Opposition a National Defence Council was to be formed consisting of three members representing the Government, three representing the principal Opposition party, Fine Gael, and two representing the Labour party. This Council would meet each week, or as might be necessary, to consult and advise on matters of national defence. Mr. Cosgrave announced his party's support of this project. They were willing, he said, to accept their full share of responsibility for policies on which there had been consultation and agreement. The country, he added, had never before faced such a serious situation, and his party would respond to the people's desire for the utmost united effort to meet the danger.

The first meeting of this Council was held on May 30, and it has since held several other meetings. Its members are Mr. Aiken, the Minister for Co-ordination of Defence, Mr. Boland, the Minister for Justice, and Mr. Traynor, the Minister for Defence, representing the Government; Deputies Dillon, Mulcahy and O'Higgins representing the Fine Gael party; and Deputies Norton and Davin representing the Labour party. It will be observed that unfortunately neither Mr. De Valera nor Mr. Cosgrave are members of this body. In a subsequent series of broadcasts members of the Council opened a recruiting campaign for the Army and the Local Defence Corps, a portion of which is to be trained in the use of arms and entrusted with military duties whilst the remainder will act as an auxiliary police force. Opening this series of talks on May 31, Mr. Traynor, the Minister for Defence, referred to pessimists who believed we were incapable of resisting attack and said that for reasons of strategy as well as geography any attack made by a predatory great Power could not be beyond our capacity to repel. With our resistance organised to a maximum the greatness of the effort required to conquer and subdue us would outweigh the advantages which success would provide. With our resistance unorganised we presented to any marauder a vantage ground at a low

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price. We could, he said, defeat any enemy within or without if we welded our resources into a single weapon of defence. This last statement is, of course, sheer nonsense. On June 1 Mr. De Valera, broadcasting again, declared that the nation was in immediate and imminent danger against which we might have only days to prepare. There was only one way by which we could hope to save ourselves, namely, by making it an obvious disadvantage for an aggressor to come here. At this moment, he added, the existence of partition was our greatest peril, and he hoped it would not prove the undoing of us all, Unionists and Nationalists alike. Were it even now possible to remove it, the strength of our people would be many times increased. Speaking in the Dail on June 5, Mr. J. M. Dillon, T.D., Deputy Leader of the Opposition, denounced as ignoble and disgraceful representations that had, he said, been made by certain persons here that Ireland should, if invaded, follow the example of Denmark. The submission of Ireland to invasion by one of the belligerent Powers would, he said, invoke counter-invasion by other Powers and our people would be destroyed between the upper and nether millstones. In the Dail on June 6 Mr. James Hickey, T.D., the Labour Lord Mayor of Cork, complained that the people were being confused with vague speeches about the danger of invasion. Mr. De Valera, in reply, referred to the example of Switzerland, which might expect attack from any quarter, and said that those who did not want to be wilfully blind could see that we were well within the war zone, and that it might suit any one of the belligerents to interfere with our liberties, which we could only hold if we were prepared to defend them. He could only tell them to look at the map of Europe and at what was happening to-day to see what part might be played by Ireland in the whole business.

The response to the appeal for recruits showed that, whilst veterans of past wars offered their services in large numbers, the new generation held back. Speaking at Ennis on June 9, Mr. De Valera made it clear that conscription would become necessary if the young men did not join up at once. So far,

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however, no steps have been taken to introduce compulsory service, as the Army's capacity for training recruits is fully taxed. Cork city and county have made the best response. A good example of the attitude of our urban unemployed towards work of any kind was recently given when 88 Dublin "out-of-works" who had been passed as physically fit were invited to work at saving turf in the country with the assurance that they would be housed, fed, and provided with pocket money whilst learning the job and afterwards paid at least 35s. a week. Of these men 31 at once refused to go, and the remainder who went were soon reduced to 16. Such men are not likely to join the army, and one almost wishes they could have a taste of Nazi rule.

The recruiting campaign culminated in an enormous meeting at College Green, Dublin, on Sunday, June 16, presided over by Mr. Fahy, the Speaker of the Dail, and addressed by the leaders of the three political parties, Mr. De Valera, Mr. Cosgrave and Mr. Norton. It was the first time since the establishment of the new Irish State that all the elected leaders of political opinion had come together on one platform. Mr. De Valera put the position clearly. "When your neighbour's house is on fire", he said, "and the sparks are coming on to your roof, it is no time to talk of 'business as usual'. We will have to put all the resources of the community at the disposal of the Government at once, so that our preparations may be made in the shortest possible time." Referring to the I.R.A., he said, "It is sad to think that there should be any Achilles in his tent at a time like this. . . . I ask them to come out of the tent and fall in behind the rest of us." The Government had, he added, no enmity to any people, and their efforts had been directed to securing peace and co-operation amongst all peoples. At the beginning of this war, realising that they could not influence such a conflict and that they had as a small nation the first duty of self-preservation, they declared their neutrality and had since done everything to keep out of the conflict. If now they were attacked by either side, they would be attacked unjustly. But, as Mr. De Valera also pointed out,

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the problem of our national defence is seriously hampered by the political division of the country, a defect which can only be cured, as he said, by "Irishmen of all sections coming together for a common purpose and a common ideal, the preservation of our liberties".

It would, however, be very foolish to imagine that the common danger will solve this old and thorny problem. The political leaders on both sides of the border are small men dealing with great issues, and they have a Bourbon mentality which, even in the face of imminent peril, learns nothing and forgets nothing. No better proof of this unfortunate fact could be found than the speech of Lord Craigavon at an Orange Lodge in County Down on June 30 when, after stating that Mr. De Valera was once more blackmailing the British Government to end partition, he said that, in the interests of North and South, he was prepared to enter into the closest co-operation with Mr. De Valera in matters of defence, provided he took his stand, as Northern Ireland was doing, on the side of Britain and the Empire, dismissed the German and Italian representatives from Dublin and undertook not to raise any issue of a constitutional nature. Mr. De Valera naturally ignored this mischievous utterance, for any reply he could have made would only have made things worse. Like Lord Craigavon he, too, is the prisoner of his past and cannot ask his followers to enter the war beside Great Britain, although he must fully realise that this step will become inevitable when the first German invader lands in Ireland. It is ironic to reflect that this event would inevitably unite all Irishmen. But it would be quite wrong to imagine that Mr. De Valera is actuated by any vague idealism. He is really walking a perilous tight-rope in a manner which no other politician in Ireland could at present even attempt. Public opinion is in general, if not pro-German, by no means enthusiastically pro-British, and in this respect Mr. De Valera is probably far in advance of his followers and represents the lowest common denominator. The popular view may perhaps be best summed up in the words of an old farmer, who on being asked to express his

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views on the war said, "I hope England will be *nearly* beat". A more educated point of view is expressed by Professor Michael Tierney, the Vice-Chairman of the Senate and a former member of Mr. Cosgrave's party, who is by no means anti-British, in a recent article on "Ireland and the Anglo-Saxon Heresy".* He expresses the view that nationalism, parliamentary democracy, and industrialism are close kindred products of the same heresy, and were imposed on the western world, not by the inevitable laws of beneficent progress, but by a disastrous revolutionary break with the old Christian traditions of Europe, and that here in Ireland the institutions, ideals and practices associated with Anglo-Saxon civilisation have not proved an unmitigated blessing even since we acquired self-government. Although he condemns utopianism in national and international affairs, his only suggestion for a remedy would seem to be "a rational inquiry as to whether we can bring our Irish world into greater harmony with the traditional spirit and idiom of the historic Irish people".

The truth must be faced that not even the abolition of partition would, failing German attack, induce us to enter the war. Ireland, like France, is profoundly divided over her own history. It is only now that one realises the full implications of Gladstone's far-seeing and patriotic Irish policy and the disastrous consequences of its rejection. The fact that Lord Craigavon will not make any political sacrifice whatever to secure the safety of Great Britain only proves that he places the interests of the Northern ascendancy, of which he is probably the last representative, before those of the cause to which he proclaims his undying attachment. It is only fair, however, to point out that other and more statesmanlike voices have been recently heard in Northern Ireland. Two Parliamentary Secretaries, Lieutenant-Colonel A. G. Gordon and Mr. Edmund Warnock, K.C., have resigned from the Government as a protest against their inadequate defence policy. Colonel Gordon called for a new Government which would give

* *Studies*, March 1940.

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Ulster, and indeed all Ireland, a lead, and urged that Ulster should ask Mr. De Valera to agree to the setting up of a united government of Ireland defended by Great Britain. Mr. Beattie, M.P., the Labour representative on the Advisory Defence Council in Northern Ireland, has also resigned as a protest against Lord Craigavon's attitude. In a striking letter to the Northern press, published on June 25, the Marquis of Dufferin and Ava, a former Conservative Minister, pointed out that the Craigavon Government should have long ago realised that the things Ulster held in common with the rest of Ireland were a great deal more precious and enduring than the things about which they fought in the past. They were, he added, too obsessed with the memory of past quarrels to realise that within a very few hours everything that they had ever fought for might be threatened by a foreign invader with little respect for the Orange Drum and very doubtfully acquainted with the Statute of Westminster. To those in the rest of Ireland, who thought that neutrality might save them or that Ireland might gain if England were destroyed, they could only reply that history, and very recent history, does not support that belief, and that it was highly improbable, if the whole Continent passed under Nazi rule, that a small corner of freedom in Ireland would be preserved like an appendix in a bottle. The history of Ireland was eccentric but hardly as eccentric as that. The Rev. Dr. James Little, M.P., a Presbyterian minister, who represents an Ulster constituency at Westminster, also publicly appealed for a united Irish front to meet the common foe in a letter written from the House of Commons, but subsequently on returning to Belfast he wrote another letter to explain that the first did not really mean what it said.

Such are the results of environment. Unfortunately the leaders of no religious body in Ireland have given the people courageous moral leadership in these perilous days. A sad example of this failure was given in a message issued by the Catholic Hierarchy on June 25. Having exhorted the faithful to pray for peace and rejoice in our neutrality, they reminded them that it was a sin to conspire against the legitimate authority

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of the state and proceeded to refer to partition and the disabilities and difficulties suffered by Catholics in Northern Ireland. Apart from the fact that this statement concerning the Northern Catholics is inaccurate and misleading, nothing could be more likely to revive serious sectarian animosity in the North. The truth is that the Catholic population there suffer from no civic disabilities other than the fact that they do not receive an adequate share of official patronage. This was, indeed, admitted by Cardinal MacRory, the Archbishop of Armagh, on the day after the statement of the Hierarchy was published, when, speaking in Dublin, he said that the Catholics desired the abolition of partition not only for reasons of sentiment but for reasons of pounds, shillings and pence. It will be observed that the declaration of the Hierarchy makes no attempt to distinguish between right and wrong so far as the war is concerned, and, whilst asking us to pray for material security, is silent on the spiritual issues involved. Its insistence on the rights of Northern Catholics and its failure to point out their duties is symptomatic of the moral disease which has brought the world to its present plight. Making every allowance for ecclesiastical timidity one can only regret that such a pronouncement should have been made by the successors of Patrick and Columcill.

After Mr. Churchill's statement in the House of Commons on July 4 that the British Government were making every preparation to repel assaults whether directed at Great Britain or Ireland, Mr. De Valera issued a statement to the effect that the Irish Government was resolved to maintain and defend the country's neutrality in all circumstances. On July 7 Lord Craigavon visited London, and after an interview with Mr. Churchill expressed himself as well satisfied with the position. On July 9, in an interview given to the representative of the *New York Times*, Mr. De Valera said:

We are not prepared to join in any such proposal as a defence committee while Ireland is divided. What we do propose is a union of Northern Ireland with Eire. This could be accomplished in a day. We are perfectly agreeable to Northern Ireland retaining its Parlia-

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ment and its governing machinery to deal with local problems just as they do to-day. The only change we contemplate is that the Northern Parliament should be subject to the Parliament of all Ireland instead of the British Parliament. Defence measures can be worked out effectively. Such defence measures must be worked out on the basis of neutrality; strict neutrality is our best safeguard. If we let one country in, that inevitably would provoke the other to attack. Our only hope is to let none in.

To all of which one can only reply that our neutrality would not last for ten minutes if the British Navy were defeated, and that it is our only real defence, as Mr. De Valera well knows. There are none so blind as those who will not see. This picture of a divided Ireland which has learnt nothing from the sad experience of other neutral countries would not be complete unless one pointed out that the two Irish Governments are at least at one in their complete self-complacency. By a curious coincidence the question of broadening the basis of both Governments was raised in the Belfast House of Commons and the Dublin Senate on June 19, and both Lord Craigavon and Mr. Sean T. O'Kelly, the Tanaiste or deputy Prime Minister of the Dublin Government, were at one in declaring that even in regard to executive ability any alteration in either Government would be for the worse. Although one may seriously doubt this assertion, it is at all events true that any change under present conditions would be virtually impossible. This fact, with all its implications, constitutes probably the gravest indictment of both régimes, which, in the fine phrase of Lord Dufferin, will probably still be haggling in the guard-room when the postern gate of Christendom is forced.

III. PAYMENT

THE budget, introduced on May 8 by Mr. Sean T. O'Kelly, the Minister for Finance, is unlikely to meet either the liabilities for defence which have since developed or the realities of the present situation. He was then faced with a deficit of £2,616,000 between the estimated expenditure of £35,584,000 and the total revenue likely to be received at

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existing taxation rates of £32,968,000. To meet this situation he relied on a yield of £750,000 from the extra shilling on income-tax imposed as from April 1940 by the second budget last autumn, and proposed also to take a further £150,000 from the Road Fund. After deducting £600,000 for over-estimation, £125,000 for saving on unemployment insurance, £100,000 for a subsidy to provide artificial manure for farmers, and other small adjustments, he proposed to borrow £1,194,000 to meet capital expenditure in connection with defence, air ports, afforestation and employment schemes, and claimed that he would finally have a microscopic surplus of £4,000. The only new taxation imposed was an increased of 2s. 6d. in the cost of wireless licences, an additional shilling per gallon on cider, and an increase in the surtax on incomes over £20,000, which are few and far between. He said that the total dead-weight debt of the country in March 1940 was £54,250,000 and the gross capital liability just over £100,000,000. Other points from his statement were that the Government could not permit the civil service cost-of-living bonus to rise above the present figure of 85, that the provision for social services could not be reduced without adding to the number of unemployed, and that no further economies were therefore possible. Our revenue depended, he said, on our ability to maintain and even increase our exports as well as our imports. In spite of this dependence the recent trade negotiations with Great Britain concerning the price to be paid for our agricultural produce have been both inconclusive and unsatisfactory. The only agreement so far arrived at seems to have been an agreement to disagree, particularly as regards the price of creamery butter. But supplies are still being sent to Great Britain, for there is nowhere else to send them, on the understanding that when agreement as to price is finally reached it will be retrospective. The Irish farmer has painfully discovered that the present controlled purchase of British foodstuffs has created a situation in which prices cannot be inflated, and his own inability to increase output rapidly has so far prevented him from reaping the full benefit of the situation created by the

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cessation of Danish exports to Great Britain. The inevitable decision not to hold the Dublin Horse Show is due to the collapse of the market for horses. On the other hand we have not so far suffered any serious economic disaster. There is an ample supply of food in the country, and both coal and petrol are easily procurable at increased prices which have naturally affected the balance of payments. The Minister for Supply, Mr. Sean Lemass, in recent broadcasts, has urged retailers and householders to lay in maximum stocks of flour, sugar and tea, so that, if invasion takes place, supplies of these essential foodstuffs would be easily accessible and problems of transport and distribution simplified. No scarcity of meat, milk, vegetables, bacon and poultry need, he said, be apprehended, since these were produced at home in excess of our needs. Neither our neutrality nor our determination to resist invasion would, he added, make us immune from attack. Invasion would produce counter-invasion, with the result that on our territory the next great battle of the war might be fought. To meet this threat the principal ports have now been placed under military control, mines are to be laid along our coast, and commissioners have been appointed to govern each county in the event of communications being suspended.

And so Ireland, a prey to ignoble fears, divided by old discords, and devoid of all great purpose, awaits the future.

Ireland,

July 1940.

GREAT BRITAIN

I. A UNITED PEOPLE

THE first three months of Mr. Churchill's Premiership have brought heavy tidings to the people of Great Britain—the enemy's break-through to the Channel ports, the capitulation of the King of the Belgians, the retreat of the Allied armies in Flanders, and, finally, the invasion, conquest and surrender of France. But there is something, too, to be written on the credit side during the same period. The evacuation of the B.E.F. from Dunkirk was a feat of which all three Services can be justly proud. And so far the Battle of Britain has been very different from the Battle of France. It began, in the second week of August, as it was expected to begin, with the launching of large-scale air attacks on this country. Previously, although British bombers had been ceaselessly bombing military objectives in Germany, Italy and the occupied territories almost from the start of the Western offensive, German raids on Great Britain had been of the reconnaissance sort, and only in attacks on convoys and once on Dover was there any considerable number of enemy aircraft engaged. But on August 8 a series of attacks on convoys in the Channel, in the last of which 150 German planes took part, was the preliminary to an air battle, around the coasts and in various districts inland, which was resumed almost every day for a week and ended in an unsuccessful attempt to break through London's air defences. It can be said with complete certainty that in these first big battles of the air, the losses inflicted by the R.A.F. on the enemy were out of all proportion to the damage done to this country; and, although civilian casualties have in fact been fairly heavy in some areas, all eyewitnesses agree on the remarkable equanimity with which the people have greeted the bombs. For the first time Hitler has received a check, and

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the R.A.F.'s clear superiority over the *Luftwaffe* in both men and machines has gone far to offset his victories on land.

The danger to Great Britain has brought about a national unity stronger than at any other time since the beginning of the war. This unity has given strength to the new Government and enabled it to put into force many measures which would otherwise have been challenged. But national unity itself has been strengthened by the knowledge that the Government is one that the people can trust. The presence of the Labour leaders, Mr. Attlee, Mr. Greenwood, Mr. Bevin and Mr. Morrison, has effectively dispelled any suspicion that the war was being run by an exclusive few for their own benefit. And Mr. Churchill has won a standing and popularity in the whole country such as have seldom been enjoyed by a Prime Minister in our times.

It is true that the Government still contains members of Mr. Chamberlain's Government, and from time to time there have been strong suggestions from persons representing very different shades of political opinion that it is unseemly—to say the least—that positions of trust should be held by men whose policy has been proved by events to have been discreditable and even dangerous. But although the new Prime Minister naturally assumed the leadership of the House of Commons, Mr. Chamberlain remains the leader of the Conservative party, and to turn him or his old colleagues out of office would run the grave risk of creating the same political dissension which played so large a part in the fall of France. Mr. Churchill himself has severely rebuked any attempts in the House of Commons to impute blame for past disasters; and Sir Walter Citrine, General Secretary of the Trades Union Congress, warned the Trades Councils on the same point, saying that in a coalition period there could be no denying the rights of the Conservative or Liberal parties to appoint the men they trusted, and that the Labour party had gone into the Government with its eyes open, basing its decision on the same facts as existed to-day.

THE GOVERNMENT'S ACHIEVEMENTS

II. THE GOVERNMENT'S ACHIEVEMENTS

UNITY alone will not win a war. It is the Government's task to turn it into concrete things—into armed forces, aeroplanes and munitions. On paper the new Government has achieved much. Before it had been in office a fortnight it introduced a measure, the Emergency Powers (Defence) Act, 1940, which empowers it to make regulations conscripting the persons, services and property of every subject in the land. The Bill passed through all its stages in both Houses of Parliament in less than three hours with virtually no opposition or criticism, although by its terms the Government was given power to take over property and to compel anyone to do anything.

The machinery of Government has also been improved. One of the complaints brought against Mr. Chamberlain's War Cabinet was that its members were burdened with departmental duties. Mr. Churchill's War Cabinet is much smaller; and at first only Lord Halifax was a departmental head, though Lord Beaverbrook, when he was given a place in it in August, retained his office of Minister for Aircraft Production.

The work of Ministers under the direction of the War Cabinet falls into three divisions, defence, foreign policy, and economic and home affairs. The first is in the charge of the Prime Minister in his capacity as Minister of Defence, and he is assisted by a Defence Committee comprising the three Service Ministers with the Chiefs of Staff as advisers. Questions of foreign policy are reported direct to the War Cabinet by Lord Halifax. Economic and home affairs are dealt with by five Ministerial bodies: the Production Council (Chairman, Mr. Greenwood) which gives general direction as to the organisation and priority of production for war purposes; the Economic Policy Committee (Chairman, Mr. Greenwood), which conceives and directs general economic policy; the Food Policy Committee (Chairman, Mr. Attlee), dealing with all food questions including food production; the Home Policy Committee (Chairman, Mr. Attlee), which is concerned with every-

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thing affecting the Home Front and is also responsible for the framing of regulations and drafting legislation; and the Civil Defence Committee (Chairman, Sir John Anderson), dealing with civil defence and home security. Finally, the work of all five committees is co-ordinated and directed by a Committee consisting of Mr. Chamberlain as chairman, Mr. Attlee, Mr. Greenwood, and Sir Kingsley Wood, the Chancellor of the Exchequer.

Mr. Greenwood, therefore, has many of the functions, if not the title, of the Minister of Economic Policy, an office which was at one time so strongly urged. The Production Council's task is "to balance the supply of material and of the plant available, and have knowledge of the strategy of the war, together with the labour supply, so that the whole national effort may move in a cohesive and disciplined way".

Production needs materials, plant and labour. The extension of the British blockade, which has followed Germany's European conquests, means that, with the important exception of iron ore, an abundance of raw materials is at Britain's disposal in non-European countries. Plant is a different matter, and a shortage of machine tools was felt early in the war. The Production Council has, therefore, taken a census of machine tools, and the Controller of Machine Tools has been given power by the Minister of Supply to requisition any plant which is now idle and is capable of being effectively used. Moreover, Area Boards have been established, each consisting of representatives of local industry and of the Government Departments concerned, which are to seek out latent industrial capacity in their areas so that both plant and labour are used for war purposes to the fullest possible extent. Where the Boards find that industrial capacity cannot be fully employed under local conditions, labour and plant will be transferred to places where they are needed.

Like plant, labour is overtaxed in some parts of the country and idle or employed for non-essential purposes in other parts. In the industries directly connected with munition work, unemployment is virtually at rock bottom. In engineering the

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percentage of insured workers unemployed in June was only 1.8 per cent., compared with 4.6 per cent. just before the outbreak of war; in the chemical industry, 2.5 per cent., compared with 4.8 per cent.; in the construction and repair of vehicles, 1.5 per cent., compared with 4.0 per cent.; in other metal industries, 2.9 per cent., compared with 5.8 per cent. But there are still large reserves of labour in the millions of workers in the distributive trades, in banking and commerce, and in non-essential industries, whose services are at the disposal of the State.

It is mainly a question of training and transfer. The Government has speeded up training in the government centres, so that hundreds, instead of tens, of thousands will be turned out in a year, and employers are being exhorted to train workers in their industries. A committee under Sir William Beveridge is surveying available labour resources; skilled workers in the engineering industry have registered; and use has been made of the powers conferred by the Control of Employment Act to prevent competitive bidding for labour. Moreover, trade union principles have largely gone by the board. The unemployment insurance regulations have been amended so that any person convicted of refusing to comply with the Minister of Labour's direction to perform any service will be debarred from unemployment insurance for a period of six weeks, and it will be no defence that the new job carries with it lower pay and less favourable conditions of work than the old. Strikes and lock-outs are forbidden. Any trade disputes which cannot be settled by the recognised methods of discussion between employers and workers are to be referred to an Arbitration Tribunal whose decision will be final.

Between the industrial programmes of the old Government and the new there is a gulf of difference. But at the same time requirements have grown owing to the loss of the B.E.F.'s equipment in Flanders and the loss of French industrial capacity; and it is clear, even now, that the country's economic resources are not being mobilised ruthlessly enough. There has, it is true, been a big expansion in the output of munitions

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and aircraft. The losses of the B.E.F. have been more than made good. With regard to aeroplanes, Lord Beaverbrook announced that the June output was double that of June last year, and in August the Prime Minister said that he had been advised that now production was largely exceeding that of Germany. But these achievements have been mainly due to the same workers working longer hours—70 to 80 hours a week in some cases—and to the same plant in operation for seven days a week. As an interim measure, to make up for nine months of dilatoriness, this was necessary. But by the end of July, when it was clear that long hours of work were defeating their own ends and output was falling, a long-term policy of complete mobilisation should have been thought out and put into effect.

The Government has the power to divert to itself whatever part of the country's resources it requires for the purposes of the war. It has a far better grasp than Mr. Chamberlain's Government of what the size of this part should be. But it is still hesitant to use the powers it has taken, except indirectly, and the Emergency Powers (Defence) Act, which was passed in such haste in May, remains virtually a dead letter. There is reluctance to throw men and plant into unemployment, because there is no conviction that they can be immediately re-employed for war purposes. There is no conviction, because there is not enough determination.

Diversion is consequently taking place far too slowly. And the danger that it will take place by the inequitable and costly method of inflation is perhaps even nearer than under Mr. Chamberlain's Government, now that production for war purposes has jumped ahead while the decline in civilian consumption has been negligible. Restrictions have been placed on the sale of a wide range of consumption goods; but the second budget was attacked for being too lenient, and, as is observed in another article,* the only wages policy the Government seems to have is to allow them to rise. Mr. Bevin has asked, and obtained, great things of his workers; and he, if anybody,

* See "War Economy and Finance" p. 798 above.

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could make a national wage policy, aimed at combating inflation, palatable to the trade unions. But there is still no sign that he, any more than they, can make the distinction between real and money wages.

III. PREPARATIONS AGAINST INVASION

THE imminent military danger at the time Mr. Churchill's Government took office partly explains why it relied on the short-term method of pushing up production—by increasing the hours of work in existing factories—instead of attempting to enforce immediately a long-term policy which might cause temporary dislocation. In the military sphere, too, policy in the last three months has mainly concentrated on the short-term danger of invasion. The first week-end of total warfare brought this possibility home to the inhabitants of the United Kingdom. By the time the surrender of France had given the European coast-line from Norway to Spain into the control of the enemy, the idea of invasion, from the sea or air or both, had come to be taken for granted.

The first step taken to meet the danger was the formation of a voluntary body of men between the ages of 17 and 65 whose duty in their spare time was to be the detection and capture of German parachutists or troops landed from the air. The part played by these in the invasion of the Low Countries was the prime cause in the recruitment of the "parashots" as they were unofficially called, and the sense of national danger, and the strong desire on the part of all those who are ineligible for military service to play an active rôle in the defence of their country, quickly brought the number of "parashots" up to the million.

At the end of July, when the defence of Britain had been fully organised, their status and object were more clearly defined. Their official name was changed from Local Defence Volunteers to the Home Guard. No longer were they to be merely armed watchers of the skies. Now, they are auxiliaries to the army, and co-operate with other parts of the military

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machine. Their duties—which are still part-time—are to share in the defence of their home town, village or countryside, or in some cases of their workplaces. They will provide guards of vulnerable places at strong points and, acting as an observer corps, will report movements of the enemy to the regular military formations.

But the defence of Britain on land has always relied mainly on the regular Army. At the end of May, General Sir Edmund Ironside was replaced by General Sir John Dill as C.I.G.S. and was entrusted instead with the task of organising the home forces to meet the invasion danger. Small mobile units, dubbed Ironsides, which are heavily armed and ready to move to any point of the country at a moment's notice, were formed out of the regulars. As the Battle of France drew to its unhappy close, the home forces were reinforced by the B.E.F. In the middle of July the Prime Minister announced that the strength of the British Army at home was $1\frac{1}{2}$ millions; in addition, there were 1,300,000 of the Home Guard, contingents from the Dominions, and units of Poles, Czechs and Frenchmen. About this time further changes in the High Command were announced. Sir Edmund Ironside became a Field Marshal, though still on the active list; and Lieutenant-General Sir Alan Brooke, who commanded the Second Army in France and Flanders, took his place as Commander-in-Chief of the Home Forces. Lord Gort, Commander-in-Chief of the B.E.F., became Inspector-General for Training.

The invasion danger, which has thus added home defence to civil defence, has also thrown a different light on what are vulnerable areas, and the Government's evacuation policy has been remodelled accordingly. Children evacuated to east and south-east coast and inland towns have been moved elsewhere, and children resident in the same areas have been given the chance to move. Moreover, another evacuation of school-children from London, the Medway towns, Southampton, Portsmouth and Gosport, who were registered under the Government's second scheme, has taken place. The number of children who were moved was again disappointingly small.

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But registration in London and all other evacuation areas remains open; and, if the order has been given, evacuation takes place from those areas in parties as the children are registered. "Trickle" evacuation of this sort has already taken place from London and one or two port towns, and will continue so long as there are children whose parents wish them to move to safety.

In addition, the Government has declared certain parts of the country to be defence areas. Earlier in the war, certain districts in Scotland had been declared protected areas in which the movement of enemy aliens, and persons not normally resident there, was restricted. After the invasion of the Low Countries, the list of such protected areas was considerably extended, and no alien of any nationality can enter into, or remain in, them except by written permit. But in the defence areas, all persons, British subjects or foreigners, have to obey the orders of the Regional Commissioner of the district for the purpose of defence against an enemy attack. (These Regional Commissioners were appointed early in 1939 to co-ordinate civil defence.) The first defence area was a strip, 20 miles wide, stretching from Hastings to the Wash. This was later extended to Berwick-on-Tweed in the north and to Weymouth in the south. Finally, after serious air-raids started in August, the whole of Great Britain was declared a defence area as a precautionary measure so that in the event of a serious emergency the Regional Commissioners can act without delay. But it is only in the original defence areas that any restrictions have so far been imposed by the Commissioner concerned. These have taken the form of a curfew, prohibiting access to the beaches, and restricting the movement of non-residents into the area unless they have good reason for their visit.

The result is, of course, that towns in such areas have become distressed places, particularly as many of them relied mainly for their prosperity on summer visitors who are now forbidden. The Government has consequently pledged itself to come to the aid of local authorities whose finances have broken down;

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and by the Defence (Evacuated Areas) Regulation a moratorium in respect of rent, rates, mortgages, hire purchase and other regular payments has been provided for persons who have left those districts in defence areas which have been declared evacuation areas for the purpose of the regulation, that is, areas from which a general evacuation of families and businesses has been strongly urged or made compulsory. Several towns and districts in East Anglia and on the south-east coast have been declared evacuation areas for the purpose of this regulation.

Yet another form of evacuation has come to the fore in recent weeks. When air-raids on this country began, and the possibility of invasion arose, offers came from all the Dominions and the United States to take children from Great Britain for the duration of the war. The Government, while putting the full responsibility of the decision to send their children overseas on to the parents, with commendable promptitude worked out a scheme for taking advantage of these generous offers. It would enable children, between the ages of five and sixteen, to be transported free, if they attended grant-aided schools, parents of other children making a small payment for transport. As at first envisaged, 7,000 children would leave in convoyed ships every month till the offers of homes were exhausted. Unfortunately, the difficulties of finding convoys, especially after the French Fleet had been lost, led to the virtual abandonment of the whole scheme. This caused great disappointment, and even resentment in some quarters who complained that many children of well-to-do parents had crossed the Atlantic, although it was pointed out by the Government that these had gone as a result of private arrangements and in unconvoyed vessels at their parents' own risk. It has, however, been possible for the Government to continue with the scheme, though on an even smaller scale, by sending some children, only from grant-aided schools, in fast liners without convoys, and it is hoped to send bigger numbers when convoys are possible.

Another danger disclosed by Hitler's recent aggressions has

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been treachery in the invaded lands. The success of this weapon in Norway had already begun to cause uneasiness in Great Britain, and the fears were strengthened by events in the Low Countries. Quislings among British subjects have been rounded up under Regulation 18B, which gives the Home Secretary power to detain persons, believed to be dangerous to the State, without having to answer to a writ of *habeas corpus*. As amended in May the regulation allows, as grounds for such a belief, membership of an organisation subject to foreign influence or control, or controlled by persons who sympathise with the system of government of an enemy Power; and Sir Oswald Mosley, leader of the British Union of Fascists, together with over 500 of his followers, has been detained by virtue of this amendment. The total number of persons detained under the Regulation numbered 1,226 at the end of July.

Revelations of treachery and spies also threw doubt on the wisdom of continued leniency to enemy aliens and eventually caused the Government's whole aliens policy to be revised. Soon after the invasion of the Low Countries, all male Class B enemy aliens, that is, those exempt from internment but subject to special restrictions, were interned; this was followed a week later by the internment of women in the same class. At the same time restrictions were placed on all aliens of whatever nationality throughout the United Kingdom.

Finally, a general internment of enemy aliens took place. Of the total number, amounting to about 74,000, who entered this country in recent years as refugees, some 64,000 were placed in Class C and were freed from all restrictions, 55,000 giving satisfactory proof that they were racial or political refugees. They included among them famous scientists and skilled technicians who were working for the British cause. It is not surprising, therefore, that, when it was realised that such men, and also the old and the sick, were being indiscriminately interned, a public outcry was heard. That military considerations must be paramount was recognised, and the fact that the military advisers recommended a general internment in the

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interests of national safety was accepted. But, once a mass internment had taken place, there was surely every reason for a sifting process so that those, whose *bona fides* was established beyond doubt and whose qualifications made them an asset to the British cause, should be released. Unfortunately, the authorities were dilatory in making such releases and shamefully neglectful of the conditions in the internment camps, which were in some cases little better than the concentration camps the refugees had experienced in Germany. Families were broken up; anti-Nazis found themselves in the same camp as Nazis; books and newspapers were forbidden; communications with wives and friends were inexcusably delayed; some aliens were sent overseas without notification to their wives who were left behind.

Strong pressure was, therefore, brought to bear in Parliament; and the Government promised to improve conditions in the camps, which are now supervised by the Home Office instead of the War Office, and to consider the release of certain categories. These include the young and the very old; the invalid and infirm, who are to be released immediately; those with special qualifications for whom work of national importance is available; and those who formerly occupied key positions in industries engaged in such work. There still remain many, however, who will fall outside the existing categories but are genuine anti-Nazis; and it is hoped that individual cases will be sympathetically treated by the Advisory Committee, set up under the chairmanship of Mr. Justice Asquith, which is to advise the Home Secretary on the whole question of internment. An Advisory Council has also been formed to advise on the welfare of all aliens, whether from Germany or friendly countries.

IV. PARLIAMENT AND THE HOME FRONT

THE internment of enemy aliens was not the only occasion on which the Government, under pressure from public opinion, has climbed down. The absence of an official Opposi-

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tion has not deprived the House of Commons of its virility, and at question-time it still displays its customary vigilance. This watchful attitude was perhaps most clearly seen in the debate on the Emergency Powers (Defence) (No. 2) Bill, 1940, which proposed to set up special civil courts in war zones to function when the ordinary civil courts cannot operate owing to the military situation. The new courts are each to be administered by a single officer of high judicial standing, helped by two justices of the peace; they will have power to administer any existing law, and to sentence to death. Under the Bill as it originally stood, no right of appeal was provided, and it was this omission which was most strongly attacked in the Commons. It was useless for Sir John Anderson to protest that the right of appeal against grave sentences could be included in the regulations to be made under the Bill. Members quite rightly saw no reason why a judicial review should not be provided for in the Bill itself; and though the Government refused to go the whole way with them, the Bill as finally passed contains a clause providing for such a review in cases where the death sentence has been passed and in such other circumstances as may be provided for in the regulations.

Government by regulations, which can in theory be rejected by Parliament but in practice only with difficulty, has never been popular, especially when the regulations deal with such precious matters as justice and free speech. In the early months of the war, after pressure from Parliament, the Government was persuaded to amend the first Defence Regulations after an all-party consultation. During the *Blitzkrieg* in May and June, however, many regulations were put into force which but for the presence of danger might have caused more discussion at the time. Such was Regulation 39BA which makes any person publishing a report or statement likely to cause alarm or despondency liable on summary conviction to imprisonment for a term not exceeding one month or to a fine of not more than £50 or to both. Soon after this regulation was put into force the Ministry of Information started a campaign apparently intended to stop every kind of discussion about the war;

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and acting on what thus seemed to be the Government's view—that idle chatter and the repeating of rumours were dangerous—magistrates imposed heavy sentences under Regulation 39BA. For instance, persons passing on rumours that parachutists had been dropped were fined as much as £30.

Parliament immediately protested at this attempt to stifle all discussion, whether intelligent or merely silly, about the war, coupled as it was with reports, happily unfounded, that the press was to be subject to compulsory censorship; and the Prime Minister himself promised that all sentences under Regulation 39BA should be reviewed by the Home Secretary and dismissed the Ministry of Information's so-called Silent Column into "innocuous desuetude".

Parliament's protests were soundly based, for the people are neither alarmed nor despondent. Rarely has any country, after a series of such major disasters as befell Great Britain in May and June, decided to carry on a war in a spirit of such confidence. The defeat in Norway woke the people out of the complacency into which their rulers had lulled them in the first months of war; the defeat in Flanders made them realise the extent of the efforts which are needed; the defeat of France brought a strong feeling of sorrow at the humiliation of their Allies but a sense of pride as well that on them, almost alone for the time being, the duty of saving Europe from Hitlerism has been laid. Whether the future holds more mass air-raids or invasion or both, it is awaited by a united and confident people.

Great Britain,
August 1940.

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I. A NEW WAR EFFORT

THE portentous changes in the European situation produced by the German army's swift conquest of France, Holland and Belgium in a few weeks and the entry of Italy into the war came as a rude awakening to the Canadian people and soon shook both them and their Government out of the dangerous complacency, communicated to Ottawa by infection from Downing Street during the Chamberlain *régime*, with which they had been regarding the war. There was a swift dissipation of the notion that the war could be won by a remorseless application of the maritime blockade without any unduly exhausting drain upon the man-power or financial and material resources of Canada, and in its place there came a sudden realisation that nothing less than the whole future of Canada was at stake, and that, if tremendous further sacrifices would be required for the achievement of victory, they would be made for Canada's own salvation. So during May anti-war sentiment virtually vanished in the English-speaking provinces, and, if it lingered in certain quarters in French-Canada, it found little overt expression. Indeed, if there is still no ardent enthusiasm for the war among the French-Canadians, the sympathy of the large majority of them for the national war effort is in very happy contrast with their sullen intransigence during the later stages of the last war. It is partly due to the outspoken antagonism of Cardinal Villeneuve and other leaders of the Roman Catholic Church in Quebec to Hitlerism and all its works, and partly to the resolute leadership given by Mr. Lapointe and other French-Canadian Ministers. It has been found necessary to suppress the activities of the National Unity party, which was an avowedly Fascist organisation, but the internment of its leader, M. Adrien Arcand, and his chief lieutenants, commanded general approval in Quebec.

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The new Federal Parliament, elected on March 26, assembled for its first session on May 16 under the shadow of the German *Blitzkrieg* which had been launched a week previously, and its meeting found the Liberal Ministry of Mr. Mackenzie King, supported by 183 out of a total of 245 members in the House of Commons, in an even stronger position than in the previous Parliament. Before the session opened the resignation of Dr. Manion, whose glaring deficiencies as a political leader had been clearly exposed during the election campaign, had been accepted by the Conservative parliamentary party, and it had elected as a temporary house leader Mr. R. B. Hanson, K.C., of New Brunswick, who first entered Parliament in 1921 and served as Minister of Trade and Commerce during the last year of Mr. Bennett's Ministry before losing his seat at the general election of 1935. Here it should be said that Mr. Hanson, elevated thus unexpectedly to a position which he did not seek, and handicapped by imperfect health, has conducted himself admirably as leader of the official Opposition; he is not a politician of brilliant abilities or any high debating powers, but he is an able lawyer and has, along with a judicial temper and an agreeable personality, a vein of shrewdness and an instinct for parliamentary strategy which have enabled him to offer the Government both useful co-operation and valuable constructive criticism, to make the battered Conservative party a more effective force in Parliament than seemed possible when the session opened, and to earn the respect of his opponents and the country at large. The C.C.F. party, which had just managed to retain its former strength in Parliament, suffered a severe blow on the eve of the session through the incapacitation of its leader, Mr. Woodsworth, by a serious illness which may end his political career. The Social Crediters, who had lost little time in discarding the title of the New Democracy, had come back diminished in numbers from 15 to 11.

At the election the Mackenzie King Ministry had been fortified by a fresh mandate for a war programme, which, as more than one Minister admitted during the campaign, clearly visualised a policy of limited participation in the war; and in

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the opinion of experienced political observers it undoubtedly owed its huge majority to a widespread disinclination for heavier commitments. But before Parliament met it had found itself faced with a vociferous popular demand for a substantial enlargement of the nation's war programme in the light of the critical situation which had developed in Europe, and it had acceded to it by announcing an expansion of the Canadian Active Service Force and other measures. However, what seemed an adequate enlargement of the war effort at the beginning of one week looked quite unsatisfactory by its close, and the Conservative Opposition could be confident that any criticisms about the inadequacy of the Government's war programme would be widely endorsed in the country. So the official Opposition performed the useful rôle of voicing the popular desire for a much more vigorous war effort, and the Government responded by announcing enlargements of it by instalments. This enlargement inevitably threw a heavy additional burden upon the shoulders of Ministers and their officials, and gradual steps were taken to strengthen the administration at Ottawa by enlisting the services of more leaders of business and industry, who have shown a praiseworthy willingness to sacrifice their private interests and inclinations. But such a move did not serve to terminate the criticisms, led by influential papers like the *Montreal Gazette* and the *Toronto Globe and Mail*, which were steadily being directed against the personnel of the Ministry and were coupled with a demand for the formation of a genuinely National Government; and Mr. Mackenzie King, who became the chief target of this campaign, had the unpleasant experience of hearing Conservative members declare, on the floor of the House of Commons, that the interests of the common cause demanded his immediate retirement from the Premiership in favour of somebody who could command more general confidence as a war leader throughout the country.

To appease this agitation he undertook a reorganisation of his Cabinet, a process which was hastened by the tragic death of Mr. Norman Rogers, the Minister of National Defence, in

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an aeroplane accident on June 10. It involved prolonged negotiations and was not completed until July 8, when Mr. Mackenzie King was able to announce the personnel of his reorganised Cabinet to the House of Commons. The popular demand for a National Government was very unpalatable to the Prime Minister, who has an ingrained dislike of coalitions and is also a firm believer in the theory that the successful working of the system of parliamentary democracy requires the existence of an effective Opposition which can offer the country the possibility of an alternative administration. But he could not dismiss cavalierly the demand for some representation of the 45 per cent. of the voters who had declined to endorse the policy of the Liberal party at the late election in a Government which was calling upon the whole nation for immense sacrifices. So, disregarding the parliamentary leaders of the Conservative party, he approached several prominent business men of the Conservative faith with offers of places in his Cabinet, but he found them all unwilling for various reasons to accept his invitations.

He decided, therefore, that, having made this gesture, he was justified in falling back for recruits for his Ministry upon the resources of the Liberal party. The changes in the personnel of the Ministry have been facilitated by some reshuffling of portfolios and by readjustments of the duties assigned to different departments, and there have also been wisely created three new departments for Air, for Naval Affairs, and for National War Services. Colonel J. L. Ralston has handed over the Ministry of Finance to Mr. Ilsley, the Minister of National Revenue, and has returned to the Department of National Defence which, as an experienced soldier, he administered with general acceptance from 1926 to 1930; but its burdens have been lightened since Major Power as Minister of Air takes full responsibility for the Air Force, and Mr. Angus Macdonald, one of the new Ministers who has been a very successful Liberal Premier of Nova Scotia and should by reason of his varied abilities and attractive personality be a valuable reinforcement to the Ministry, takes separate charge

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of all naval affairs. The other new department, that of National War Services, has been entrusted to Mr. J. G. Gardiner, the lively Minister of Agriculture, who will retain also his original portfolio until a competent successor can be found for it. The Ministry of National Revenue, vacated by Mr. Ilsley, has been given to a parliamentary novice, Colonel Gibson of Hamilton, who, although he only entered Parliament four months ago, is recognised as a politician of promise. The most severely criticised of the new appointments is that of Mr. W. P. Mulock, Jr., whose unexpected selection as Postmaster-General is popularly attributed to Mr. Mackenzie King's veneration for the new Minister's grandfather, the veteran Sir William Mulock, who sponsored his entry into public life nearly forty years ago, and seems otherwise inexplicable. Mr. Howe, the Minister of Munitions and Supply, is set free to concentrate his energies upon the production of munitions by having most of his duties as Minister of Transport transferred to Mr. Cardin, the Minister of Public Works.

Mr. Mackenzie King, in announcing the changes in his Cabinet, simultaneously tried to appease the complaints directed at the partisan character of his Ministry by making a formal offer to Mr. Hanson and his chief lieutenant, Mr. Stirling, to become associate members of the War Committee of the Cabinet, which he also enlarged by the addition of Mr. Gardiner and Mr. Macdonald, or in the alternative to participate in regular consultations with this committee, at which they would be given confidential information. He also intimated that, if the Conservative leaders accepted these offers, they would also be extended to the leaders of the C.C.F. and Social Credit parties. But the Conservative leaders, who had naturally felt rather slighted by Mr. Mackenzie King's courtship of Conservatives outside Parliament, replied after due deliberation that they could not see their way to accept either invitation because acceptance would involve them in responsibilities without power, and that they preferred to abide by the mandate given them to oppose the Liberal administration when necessary and to continue their policy of co-operation on all

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vital issues pertaining to the war without abandoning their duty of vigilant criticism. The leaders of the C.C.F. and Social Credit parties took a similar line, and so Mr. Mackenzie King's effort to introduce at least an aroma of non-partisanship into the management of the national war effort has ended in complete failure. The Cabinet reorganisation earned moderate commendation in the press, but the demand for a National Government has by no means been pacified; and, if Hitler carries out his threat of a ferocious assault on Britain, it might soon become irresistible, particularly if Australia follows the example of New Zealand in securing a national administration.

The German invasion of the Low Countries and France had steeled the Canadian people to the prospect of further efforts, but the final *débâcle* brought the war much nearer home to them, and with the invasion of the British Isles now, in the words of Mr. Mackenzie King, "not a remote possibility but an impending actuality", the Government decided that a drastic intensification of the national war effort had become imperative and would have popular support. Accordingly on June 18 Mr. Mackenzie King announced the immediate introduction of a Bill to confer upon the Government special emergency powers for the mobilisation of all the human and material resources of the Dominion. He intimated also that one of its prime features would be a national registration of all citizens of Canada over the age of 16, that there would be provision for compulsory military training for the youth of Canada, but that recruitment for service overseas would be maintained on a voluntary basis. When the Bill came up for discussion in Parliament it had the approval of all parties except a tiny minority of French-Canadian isolationists on the Liberal side, but, when two of them sponsored an amendment designed to eliminate any element of compulsion, they could not find a solitary supporter, and when a resolution of the same nature was introduced in the provincial legislature of Quebec it was defeated by 56 votes to 13.

The Government then proceeded to make use of the drastic powers conferred on it and to take measures for a regimenta-

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tion of national life which would have been deemed unthinkable a few months ago. On June 18 the enlisted strength of the Canadian Active Service Force was approximately 100,500 men of all ranks, and, after its increase to 150,000 was authorised, recruits poured in so fast that it now numbers about 140,000 men of all ranks. Three divisions have been fully organised and the infantry battalions of a fourth division are being recruited, while there have also been raised substantial contingents of ancillary troops. The exact number of the Canadian forces serving overseas is kept a close secret, but there has been a steady flow of reinforcements to the original first division, and there are Canadian garrisons stationed in Newfoundland, Iceland, and the British West Indies. It has been possible to insist upon a high standard of fitness for recruits, and the troops have been supplied with the new form of battle dress and the most modern equipment. In the initial stages of the war it was found necessary to rely upon Britain for the heavy mechanical equipment required for the army, but its manufacture is now being undertaken in Canada. There has also been raised a Veterans' Home Guard, which will assume responsibility for a variety of duties at home such as furnishing guards for internment camps. The scheme of national registration, which is under the direction of the Ministry of National War Services, will begin to operate about August 19, and with the data thus made available it will become possible to start the system of compulsory military training. It is estimated that there are, in Canada to-day, between 700,000 and 800,000 young men between the ages of 21 and 35, but, as there are not camp facilities or trained instructors available to handle more than 150,000 at a time, the draftees will be called up in batches, and probably about 50,000 will receive a summons to report on or about September 15, when they will begin to receive six weeks military training in camp, drawing pay at the rate of \$1.20 per day but no allowances for dependants. In view of the urgent need of maintaining the production of munitions and other commodities necessary for the war, certain occupations are being "reserved", and young men engaged in them

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instead of attending camp will undergo training drill in the evenings two or three times a week. But the intention is that all the youth of Canada will have at least some elementary military training before another twelve months elapse.

When the war broke out Canada had a navy consisting only of a few destroyers and auxiliary vessels, but a programme of expansion is now on foot which involves a total expenditure of roughly \$90,000,000, and, thanks to the zeal with which workers in Canadian shipyards are toiling, at least one ship is now being launched every week, the majority of the vessels being minesweepers and patrol boats of a useful type. The personnel of the Canadian Navy has been more than doubled since the war began: it now exceeds 7,000 of all ranks, and this number will be increased to 12,000 as more ships become available. At first the Canadian Navy confined its activities to patrol and convoy work on the Atlantic seaboard, but its ships have lately been ranging farther afield and doing excellent service in European waters.

It was planned from the start that a substantial part of Canada's contribution to the Allied cause should be in the air, and the opportunity for this was greatly enlarged when the decision was taken to make Canada the theatre of the Commonwealth Air Training Scheme. Its administration has been entrusted to the Royal Canadian Air Force, but there also exists a supervisory board upon which all the participating Governments are represented. The original plan of the Commonwealth air scheme contemplated a programme which would not reach its full peak of efficiency until the summer of 1941, but the portentous results of Hitler's *Blitzkrieg* have caused a wholesale revision of the original plan. Major Power, the Minister for Air, whose gifts of initiative and imagination have made him emerge as one of the ablest members of the Cabinet, was able to announce recently that there was every likelihood of the two-year programme being compressed into a single year without any loss of efficiency. Out of the 115 odd training schools and other establishments planned under the scheme some 32 are already functioning, and the construction

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of the balance is being rapidly pushed to completion. On July 22 there were roughly 12,250 officers and men trained or in training, for administrative, instructional and maintenance duties, and over 2,400 pupils had begun their training, while many more had been warned to be ready to enter the air schools. A serious obstacle to the progress of the scheme was created by the inability of the British Government to spare the planes which it had promised to deliver for elementary training purposes, but successful efforts are being made to surmount it by the acceleration of production in local aircraft factories and by purchases in the United States. Apart from its work in connection with the Commonwealth scheme, the Royal Canadian Air Force has sent overseas several efficient squadrons, which it will keep supplied with reinforcements, and it is doing its share of coastal defence work.

In the last two months the mobilisation of Canada's industrial and other economic resources for war production has been pushed ahead with great vigour. An index of the new momentum is visible in the fact that during the first eight days of July the Department of Munitions and Supply, which has assumed all the functions of the British Supply Board stationed in Canada, placed roughly 147 million dollars worth of contracts which was equal to the total value of the contracts placed in the first three months of the war. The British Government is financing on a generous scale the enlargement of Canadian industrial plants, and it is co-operating with the Canadian Government in the erection of a group of huge new plants to be devoted to the production of shells and explosives. The system of governmental control over industries has been extended and tightened up; and a group of the controllers appointed to supervise different industries form a War Industries Control Board which is armed with very drastic powers designed to eliminate waste and secure a maximum of production.

The Federal budget, which Colonel Ralston, then Minister of Finance, presented to Parliament on June 24 imposed upon the Canadian people by far the severest burden of taxation

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in their history. For the fiscal year 1939-40, with revenues estimated at \$562 millions and expenditure at \$681 millions, of which \$118 millions had been absorbed by the war programme, he had to admit to a deficit of \$119 millions, which was more than double the deficit of the previous year—\$51 millions. For the current fiscal year, 1940-41, Colonel Ralston forecast non-war expenditure at \$448 millions, which was a reduction of \$71 millions as compared with the previous year, and the sum of \$700 millions appropriated by Parliament for war expenditure brought the provisional total of expenditures to \$1,148 millions. He estimated the yield of the Federal revenues on the basis of the existing tax structure, after allowance had been made for the certain enlargement of the national income, at \$650 millions, a figure which left a nominal deficit of \$498 millions. He then revealed that the Government had resolved to meet a substantial portion of this deficit by increases of existing taxation and fresh levies, which were calculated to yield \$110 millions during the balance of this fiscal year and \$280 millions when they are in full operation for a whole year. The nominal deficit would thus be reduced to \$388 millions, but the Minister gave warning that further commitments involving expenditure of between \$150 and \$200 millions had been undertaken, and that more might become imperative. So he intimated that for the provision of the necessary funds probably between \$500 and \$600 millions would have to be raised by borrowing during the present year.

There were two important innovations in taxation—a war exchange tax, designed to conserve exchange, which will be levied upon all imports except such as enjoy the privileges of the British preferential tariff, and a national defence tax, which is levied at the rate of 2 per cent. on all incomes of single persons in excess of \$600 and of married persons in excess of \$1,200, and at the rate of 3 per cent. on the incomes of single persons in excess of \$1,200. In the personal income-tax the scales are all substantially increased, and the exemptions from it are lowered by 25 per cent. from their present levels of \$2,000 for married persons and \$1,500 for single persons. One

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result of these changes is to broaden materially the scope of taxation, and hereafter only the lowest classes of wage-earners will completely escape it. The scale of the Excess Profits Tax is increased from 50 to 75 per cent., and the alternative option of paying it under the "A" plan—a graduated tax on the basis of capital employed—or the "B" plan, which applies to profits in excess of profits during a standard period now to be taken as 1930-39, is withdrawn; everybody liable to it must now pay on the "B" plan, and a special board is to be established to determine what is a fair level of normal profits for individuals or companies hit by the depression. The old levy on motor vehicles is replaced by a new motor tax graduated on a scale which ranges from 10 per cent. on cars of a value below \$700 to 80 per cent. on cars valued at above \$1,200, and since it will act as a virtual ban on the importation of high-priced cars it, too, has for its object the conservation of exchange. There are sharp increases in the excise duties on tyres, inner tubes, syrup, furs and other commodities. Most of these tax increases are of a sumptuary nature and are avowedly planned to make as large a part as possible of the increase in the national income available for financing the national war effort and preventing its diversion into the consumption of luxury goods and private investment. Such tariff changes as are decreed are of a technical character for the purpose of facilitating administration. The budget had a favourable press and was ruefully but stoically accepted by the country as part of the sacrifice which had to be paid for the suppression of Hitlerism. It did not encounter serious criticism in the House of Commons except from a group of westerners who demanded the exemption of farm implements from the operation of the 10 per cent. war exchange import tax, but the Government stood firm against any such concession.

The only important domestic legislation of the session concerned a nation-wide scheme of unemployment insurance. An effort made to establish it by the last Conservative Ministry was frustrated because the Privy Council held, in a verdict on a constitutional reference, that such a measure was *ultra vires*

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of the Federal Parliament. However, with the consent of all the Provinces, the constitutional difficulty was removed this summer when the British Parliament, acting upon the authority of a resolution passed by both Houses of the Canadian Parliament, put through with remarkable despatch an amendment of Section 97 of the British North America Act, which brought unemployment insurance within the jurisdiction of the Federal Parliament. The Bill which Mr. McLarty, the Minister of Labour, submitted to the House of Commons on July 16 proposed a plan modelled on the British scheme first introduced in 1911. It will be applicable to all workers earning \$2,000 per annum or less, with the exception of farm labourers, fishermen, loggers and a few other classes whose employment is of such a seasonal character as to make their insurance against unemployment a most complicated problem. Some 2,100,000 workers in all will come under the scheme, and, when their dependants are included, it will affect the fortunes of more than one-third of the population of Canada. The workers pay contributions levied on a scale graduated according to their wages, and the levy upon them is estimated to yield about \$28 millions per annum. A similar sum will be contributed by the employers, and to the \$56 millions thus secured the Federal Treasury will add a further \$11,200,000 per annum which will make a total fund of more than \$67 millions available at the end of the first year. The Federal Government will also provide the cost of administration which will be about \$5½ millions. Thus the total cost of the scheme to the country will be about \$74½ millions per annum. The administration of the scheme is to be entrusted to a Commission of three members, of whom one will represent the employers and another the workers, and there is to be created a nation-wide employment service under Federal control. The benefits payable under the scheme are smaller than under the British scheme, though wage scales are higher in Canada; for example, an insured Canadian worker with a wife and four children will draw unemployment benefit at the rate of \$9.60 per week, whereas if he were in Britain he would draw \$10.30.

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All parties in the House of Commons endorsed the principle of the measure, and it earned particular commendation from the C.C.F., which had long urged its enactment; but for the Conservatives Mr. Hanson pointed out a variety of difficulties which he foresaw in connection with the administration of the scheme and expressed misgivings about the advisability of imposing such a heavy additional burden upon Canadian industry in these difficult times. He insisted that before it became law very careful consideration should be given to the Bill by a special Committee of the Commons, and the Government has acceded to his request. Most of the other legislation introduced consisted of measures connected with the war effort or amendments to existing legislation. It had been hoped that the prorogation of Parliament would have been possible by July 20, but the introduction of the Unemployment Insurance Bill has necessitated the prolongation of the session into August.

The fact that the Earl of Athlone was assuming office as Governor-General at a time when the very fate of the Empire was at stake naturally heightened public interest in his appointment and in his arrival in Canada on June 19. It was generally recalled that the new Governor-General was chosen to succeed H.R.H. the Duke of Connaught in 1916, but was prevented from doing so by the pressure of war duties at home.

That the new Governor-General is an uncle of His Majesty and a brother of the Queen Mother, and that his Consort is a granddaughter of the great Queen in whose reign Canada came into being, constitutes a link with the past of the Empire which could not but appeal to the imagination.

But apart from what they are, it is realised that they are distinguished for what they have done. Great interest has been expressed in the press and otherwise in His Excellency's distinguished military career which has included service in the Matabele Rebellion of 1896, in the South African War and in the Great War. It is appreciated, too, that His Excellency was, as the *Toronto Globe and Mail* expressed it, "brilliantly successful

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as Governor-General of the Union of South Africa during a period of great difficulty”.

The feeling of the country was well voiced by the *Toronto Globe and Mail* when it said that “the spirit of the Empire is illumined by the experience and personalities of the Earl and Countess of Athlone”. It remains to add that His Excellency and the Princess Alice have already made themselves at home in Canada and are rapidly winning popularity.

II. THE ROWELL-SIROIS REPORT

THE Report of the Royal Commission on Dominion-Provincial Relations was submitted to Parliament on May 16, 1940, after two and a half years of work. It is, perhaps, desirable first to review the circumstances in which the Commission, frequently tagged as “The Fathers of Re-Confederation”, was appointed. The development immediately responsible was the financial difficulties of the three Prairie Provinces. These difficulties led to an investigation in the spring of 1937 by the Bank of Canada at the invitation of the three Prairie Governments and the Dominion Government. The Bank of Canada reported,

We do not see any solution other than that which might be provided by a comprehensive enquiry into the financial powers and responsibilities of all our governing bodies, and we are therefore led to the unqualified recommendation that a Royal Commission should be appointed for this purpose.

Pending the report of such a Commission, the Bank recommended temporary financial aid to the Governments of Manitoba and Saskatchewan and found that Alberta had, by reducing its contractual interest rates, put itself in a position to maintain its governmental services on as favourable a basis as Manitoba or Saskatchewan, without receipt of additional aid. These particular circumstances, however, merely brought to a head a situation which was basically unsatisfactory and becoming increasingly difficult. Seventy years had passed in which there had been great changes in the economic and

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financial basis of Confederation and in the scope of governmental activities, and it was not surprising that the constitutional division of powers and responsibilities established in 1867 should have proved inappropriate in conditions which could not then have been foreseen. The Royal Commission on Dominion-Provincial Relations was consequently appointed in August 1937, with instructions to make a factual report on:

- (a) the constitutional allocation of revenue sources and governmental burdens to the Dominion and provincial governments, the past results of such allocation and its suitability to present conditions and the conditions that are likely to prevail in the future;
- (b) the character and amount of taxes collected from the people of Canada, to consider these in the light of legal and constitutional limitations, and of financial and economic conditions, and to determine whether taxation as at present allocated and imposed is as equitable and as efficient as can be devised;
- (c) public expenditures and public debts in general, in order to determine whether the present division of the burden of government is equitable, and conducive to efficient administration, and to determine the ability of the Dominion and provincial governments to discharge their governmental responsibilities within the framework of the present allocation of public functions and powers, or on the basis of some form of re-allocation thereof;
- (d) Dominion subsidies and grants to provincial governments.

The Order in Council then gave the further instruction that the Commission was

to express what in their opinion, subject to the retention of the distribution of legislative powers essential to a proper carrying out of the federal system in harmony with national needs and the promotion of national unity, will best effect a balanced relationship between the financial powers and the obligations and functions of each governing body, and conduce to a more efficient, independent and economical discharge of governmental responsibilities in Canada.

In the recital in the terms of reference there were a number of other specific points referred to, but sufficient has been said to indicate the very broad scope and basic nature of the Commission's task.

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The Commission, as originally appointed, consisted of the Hon. Newton W. Rowell, Chief Justice of Ontario, as Chairman, and the Hon. Thibaudeau Rinfret, Justice of the Supreme Court of Canada; Dr. John W. Dafoe, Editor of the *Winnipeg Free Press*; Dr. R. A. MacKay, of Dalhousie University; and Professor H. F. Angus, of the University of British Columbia. Two of the outstanding authorities on constitutional law, the leading newspaper figure of Canada and the best-known champion of the West, and two students of political science and economics, representing all the main sections of Canada, were thus included. As the work progressed, unfortunately first Mr. Justice Rinfret, and subsequently the Chairman, Chief Justice Rowell, were forced to retire on account of illness. Dr. Joseph Sirois, of the City of Quebec, notary and professor of constitutional law at Laval University, replaced Mr. Justice Rinfret and, after Chief Justice Rowell's resignation, was appointed Chairman. Dr. Sirois brought to the Commission, in addition to his outstanding qualities of broad sympathy and understanding, a particularly intimate knowledge of the law and customs of Quebec.

The Commission immediately proceeded to organise an elaborate research programme on the various matters submitted to them for consideration, and to arrange for hearings in all the provincial capitals and in Ottawa of submissions from Governments, public organisations and selected individual witnesses. These hearings occupied most of the year 1938, and, in all, more than 10,000 pages of evidence were recorded and 427 exhibits were filed. The Government of Alberta prepared a brief but subsequently decided to submit it directly to the Dominion Government; the Government of Quebec appeared briefly before the Commission simply to record its objection to the Dominion Government's procedure in appointing the Commission; and the Government of Ontario, after having appeared before the Commission, declined to co-operate further on the ground that the Dominion Government had broken faith by proceeding with certain amendments to the Income War Tax Act prior to the Report of the Com-

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mission. Complete co-operation was secured from all other Governments and from a large number of representative municipal and public organisations, and many of the submissions made were of high quality and represented painstaking work.

The research programme included a large number of detailed studies of the Canadian economy, an elaborate compilation of the public accounts of Dominion, provincial and municipal governments on a uniform basis, and a number of specialised studies on constitutional matters. This work was carried on concurrently with the Commission's hearings and was designed to give the Commission as comprehensive and objective a review as possible of the various matters referred to them. Subsequently an opportunity was given to the governments which had made submissions to review the research studies and make any representations concerning them which they felt desirable.

The Report proper is issued in three volumes, although it is noted that this is done for convenience only and that the three volumes form an integral whole. Book I is a fact-finding and analytical review of the economic and historical background of Dominion-provincial relations. Book II contains the Commission's recommendations and supporting discussion. Book III is made up of statistical summaries of the Commission's public finance studies and reprints, for reference purposes, of certain basic documents. In addition, the Commission published as appendices to the Report detailed statements of the public finances of the Dominion and Provincial Governments and some eighteen of the research studies prepared for the Royal Commission. The Commission does not accept responsibility for these studies but published them as relevant and useful material which would not otherwise be available to the general public.

Book II, containing the Commission's recommendations, is, of course, the portion of the Report which is of chief topical interest, but Book I, which establishes the general principles on which the Commission's recommendations are based, is of

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primary and perhaps greater long-run importance. Book I is to some extent an economic history of Canada from Confederation to the present, and as such fills a conspicuous gap in Canadian economic literature. It is not primarily, however, a general economic history, but rather an analysis of the economic characteristics of Canada and its development which are significant from the point of view of public finance and Dominion-provincial relations. It undertakes to trace the growth of Canada from Confederation within the framework of the broad national economic policies laid down by the Federal Government. These were positive policies of development, and the need for a strong central government to inaugurate them was in fact one of the most powerful motives of Confederation. They were, in brief, the Dominion's railway policy, its settlement policy and its tariff policy. Moulded by these policies, Canada developed and became more and more of an integrated whole, for, although the different regions became sharply differentiated in the natures of their economies and in their immediate interests, they also became increasingly interdependent.

It is described in detail, with particular reference to the working of the federal fiscal system, how the isolated regions and pockets of settlement have grown into an integrated trans-continental economy; how small towns and cities have grown into large urban concentrations and great metropolitan centres; how the self-sufficiency of the household and the family has been superseded by highly specialised activities which are greatly dependent upon the smooth operation of an intricate exchange economy and a world trading system; how the meagre but relatively stable incomes have risen to support a much higher but more precarious standard of living; and, finally, how the philosophy of government has changed from one of *laissez-faire* to one of increasing interference with a view to improving economic and social conditions. The depression of the 'thirties revealed that the Canadian economy is one with serious disabilities and weaknesses—the necessary dependence on a few specialised exports and the consequent vulnerability

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and sharp fluctuation in income, the large proportion of unproductive areas and the seasonal handicaps which increase overhead costs, and the consequent rigidities of the cost structure as a whole. But in addition to those disabilities, which are inherent in the nature and distribution of Canadian resources, are the increased costs which have been incurred for political and national reasons and which further increase the rigidity and vulnerability of the economy.

The Commission's survey of the regional economies which have developed within the main structure revealed wide disparities in *per capita* regional incomes, partly as a result of the operation of national policies which tended to concentrate surplus income and wealth in a few advantageously located centres. In times of depression this condition is likely to be greatly intensified, at least as between certain regions. This raises, of course, grave financial problems for Provincial and municipal Governments dependent upon political rather than economic units; it produces great inequalities of capacity as between Provincial Governments to withstand economic crises and to maintain services under the present division of revenues and responsibilities. In Canada to-day there are clearly some economic factors making for national integration and interdependence and some for division of interest and friction. With the passing of the period of expansion which was so greatly influenced by the traditional national policies, it may be necessary both for the preservation of national unity and for the preservation of the national welfare that new policies should be inaugurated and developed to stimulate and give dynamic direction to new national expansion, although probably on very different lines and different frontiers. The Commission's conclusion was that while it was not their task to say what policy should be followed they felt it necessary to recommend adjustments in the federal system which would make it possible to follow some policy. Canada's present and prospective economic condition makes it clear that neither the friction and waste of conflicting policies nor the greater loss due to paralysis of policy arising from an inappropriate division of govern-

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mental responsibilities and powers can any longer be afforded.

Book II contains the recommendations for adjustments in distribution of powers and responsibilities as between the Dominion and the Provinces which the Commission believed necessary to bring the federal system into conformity with the economic realities and present-day needs of Canada.

The financial recommendations described as Plan I contain the essence of the Commission's views and by implication outline their philosophy of federal government. They are relatively sweeping and simple. The Dominion is to have exclusive jurisdiction over personal income taxes, corporation taxes and succession duties, just as it was given in 1867 exclusive jurisdiction over the outstanding national taxes of that time, customs and excise. These are the taxation fields in which the greatest inequities result from the operation of national policies which fortuitously concentrate taxable surpluses in some Provinces and drain them from others, and from the scramble of competing Governments for revenues, and where the conflict of governmental policies depresses the national income.

The Commission recommended the assumption by the Dominion of complete responsibility for the relief of unemployed employables—a financial responsibility which the Dominion has in fact in large measure had to bear throughout the 'thirties. The Commission also recommended assumption by the Dominion of all provincial debts, the Dominion to secure in return from each Province a fixed payment based on the Province's receipts from its wholly or partly self-supporting assets. The taxation, unemployment relief and debt service transfers are all recommended as intrinsically and independently desirable. When combined and applied to each Province it was clear, however, that some Provinces would not be able to provide, at the average Canadian standard, for the functions left to them which the Commission thought it was desirable they should preserve, without far more than average severity of taxation.

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The final financial recommendation was accordingly that the existing system of Dominion subsidies to the Provinces, which is roundly condemned by the Commission as illogical, chaotic and inequitable, should be replaced by a system of national adjustment grants from the Dominion to the Provinces. It is recommended that these adjustment grants should be sufficient to permit each Province (and its subordinate municipalities) to supply the average Canadian standard of education and public welfare services to its residents, and adequate developmental expenditure based on its previous experience, without resorting to taxation materially above the Canadian average. There are, however, to be no conditions attached to these grants; that is, a Provincial Government may elect to spend above the Canadian average on one service and less on another, or it may provide higher than average services with higher than average taxation, or it may provide lower than average services with lower than average taxation. It is recommended that machinery be set up to review these grants from time to time (although the initial amount is to be irreducible) and to recommend temporary emergency grants from year to year to meet any disaster or special circumstances.

The net effect of the financial transfers recommended would be to improve the financial position of all Provincial Governments (including their municipalities) at a cost to the Dominion Government (after allowance for certain economies which the recommendations would make possible) of approximately \$40 millions a year. The Commission stress that they do not view lightly the heavy additional burden on the Dominion Government but that they do not consider it alarming in view of the greatly improved position in which the Dominion would be put to carry out a comprehensive fiscal and monetary policy in either prosperity or depression, and in view of the relief to business and the economy in general which a coherent and rationally designed taxation system would afford.

There are, in addition, a number of recommendations on matters which are not primarily fiscal, such as the recommendation that the Dominion and the Provinces should have

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concurrent legislative powers to deal with the marketing of selected natural products; that the British North America Act should be amended to make provision for delegation of powers from either the Dominion to the Provinces or the Provinces to the Dominion; that the Dominion should have power to implement conventions of the International Labour Organisation; and that the Dominion-provincial Conference should be held regularly and provided with an adequate and permanent secretariat. A section is devoted to the difficulties arising from divided jurisdiction in the field of transportation, where the Dominion controls railways and Provincial Governments control highways, and to the public finance implications of extended competition between these two agencies of transportation. The urgency of this problem was stressed, but the Commission felt unable to do more than indicate the general lines along which they felt co-ordination would be desirable. An effort was made to deal with every submission presented to the Commission, including the special claims made by a number of Provincial Governments, although in many cases the Commission found it necessary to point out that the subject-matter lay outside the terms of reference.

A word must be said on the relevance of the Commission's Report to the new situation produced by the war. The Canadian press almost unanimously hailed the Report as a thorough and competent piece of work, but a portion took the attitude that no action would be possible or should be attempted during the war. In this connection the following quotation from the letter of transmittal is of interest:

As noted in the final Chapter, the decisions underlying the recommendations of the Report were reached before the outbreak of war. The Commission has since reviewed its recommendations and, in spite of the great and relative changes in the financial outlook for Canadian governments, it believes its recommendations to be appropriate to meet the new strains and emergencies of war conditions.

Canada,
July 1940.

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THE end of the first week of July approaches. From Daventry, Australia hears warnings that the Nazis may within days, or even hours, begin their attempt at the conquest of Britain. Those who do not know how deep into British soil go this country's roots would marvel at the suspense and anxiety that are evident on all sides. Australians are not oblivious of what would be the consequences for us of German success. But anxiety for ourselves is not the emotion with which the whole Commonwealth is stirred. One of the Labour stalwarts in the House of Representatives a week or two ago expressed in a few simple words what almost any Australian is feeling. An irrelevant party thrust omitted, he said: "The workers of Australia do not regard England merely as a place where they can sell goods and borrow money. . . . England is the home of our race; we love England; and if England should go down it would seem to me as if the sun went down."

Here in Australia, though we feel all the helplessness of distance, we have no lack of confidence in the outcome. But the disastrous events in Europe in the past three months have effected nothing less than a revolution, both in the situation that confronts us in the Pacific and in our own attitude towards the country's war effort. British readers might regard Australia's present measures as still partial and unsatisfactory. Owing partly to our distance from Europe, however, and partly to the great area over which our small population is scattered, there is an inevitable time-lag in the reaction of Australian politics to world events. This country has often stood very much where Britain had stood six months before. A more illuminating comparison is with what was being done here before.

Prior to the German conquest of Norway, Denmark and the Low Countries, the Australian Government had been

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organising on rather a long-term basis, and public opinion, though repeatedly warned that much greater effort would be necessary, had not been aroused. Those conquests, and still more the collapse of France, produced an abrupt awakening. The frontiers of lethargy and doubt were pushed back almost overnight. With a new and heartening realism and unity the nation determined to face its perils and surmount its obstacles at whatever cost. The changes that took place in the position of the Labour party were probably the most significant of all.

The Labour party, which is the official Opposition in the House of Representatives (with 32 seats in a House of 75), has not at any stage wavered in its support of the British Commonwealth in the war. But its defence policy had been laid down before the war in very restrictive terms. From the outset, however, the party realised that this policy must be modified, and, pending revision, the Leader of the Opposition did not treat it as binding in its full rigour. Emphasising the risks of sending Australian troops overseas until the alignment of the neutrals should have become more clear, Mr. Curtin and his party did indeed oppose the decision to send overseas the Sixth Division of the Australian Imperial Force. But they did not oppose the reintroduction in November 1939 of compulsory military training; and during the important by-election at Corio* in March 1940 they accepted the obligation to maintain the A.I.F. abroad with adequate reinforcements and to participate to the full in the Empire Air Scheme. Labour opinion was definitely on the move. On June 19, after the Allied débâcle in Western Europe, a conference of the party agreed on an entirely new policy.

The Labour resolutions ran as follows:

Having regard to the gravity of the world situation and the imminent danger to the Commonwealth of Australia, the Empire and the Allies, this conference of the Australian Labour party definitely declares as its policy:

- (1) Complete and indissoluble union with the Allies in the war;
- (2) The entire resources of Australia (which include all produc-

* See THE ROUND TABLE, No. 119, June 1940, p. 687.

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tive and financial organisations) to be under the control of the Commonwealth Government for national service in the urgent and adequate defence of Australia and the prosecution of the war;

- (3) That, to secure maximum productive efforts, all idle employable labour be absorbed into industry;
- (4) Speeding up of our war and other services on a planned scale, aiming at the highest efficiency and the most economic use of the resources at our command;
- (5) National training for defence, in terms of the existing Defence Act, to be maintained on the highest basis of efficiency, and provision for an adequate system of physical training throughout Australia; complete participation in the Empire Air Force scheme; necessary provision for reinforcement of the Australian Imperial Force divisions; the extent of European participation by volunteer army to be determined by circumstances as they arise, having regard to the paramount necessity of Australia's defence;
- (6) Full recognition of trade unions, safeguarding industrial standards and the participation by labour organisations in the successful organisation of the nation;
- (7) An excess war profits tax of 100 per cent.

This conference is firmly convinced that Australia can be united on these principles, and calls to Australians to stand together in resisting aggression from any source, to bear willingly any burden that may be imposed in the interests of Australia's security and to demonstrate to the Empire and its Allies that we shall not be found wanting in the struggle for human liberty.

In order to implement effectively the policy agreed upon by the conference, and to achieve and maintain the maximum of national unity, and to ensure the preservation of the utmost degree of civil liberty consistent with the conduct of the war, this conference declares:

- (a) That Parliament should be regularly consulted;
- (b) That the Labour party should maintain its integral identity in the people's interests;
- (c) That a national war council, including representatives of Labour, should be established to advise the Government in respect of the conduct of the war and in preparing for the post-war reconstruction.

In substance these resolutions mean that the Australian nation is united as never before in a determination to win

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the war. Naturally demands have been made for a National Government, representative of all parties, especially since the establishment of Mr. Churchill's Government at Westminster. The Prime Minister has declared that he would welcome Labour representatives in his Government provided there were no compromise on essential principle. Mr. Curtin, however, has so far been unwilling. Broadly, his position is the same as that of the Labour leaders in Britain until May last—that democratic government is best carried on with constructive criticism by an Opposition, which will preserve its identity and be able to present itself to the electors at the next election (whenever it comes) as an alternative government. Mr. Curtin claims that as Leader of the Opposition he has been able to do better work, both for the Government and for the country, than he could have done as an ordinary member of the Cabinet. There are, moreover, some differences on questions of policy and personnel.

There has been much discussion about the date of the next federal elections. Triennial Parliaments are the rule throughout Australia. In the case of the Commonwealth the Constitution, which is written and inflexible, prescribes that "every House of Representatives shall continue for three years from the first meeting of the House, and no longer, but may be sooner dissolved by the Governor-General". The present House met first on November 30, 1937, and will therefore expire on November 30, 1940, at latest. Even assuming the desirability of a prolongation of the lifetime of the present House, such a change is beyond the powers of the Commonwealth Parliament. The Constitution itself must be amended. This, of course, would ordinarily require a referendum. It may be taken for granted that no attempt will be made to utilise such a costly and slow procedure. The only other legal technique available is an amendment of the Constitution by Act of the Parliament at Westminster. The passing of an Imperial Act, on the request and with the consent of Australia, would be unusual, but in no sense unconstitutional, even if Australia had adopted the Statute of Westminster. If any necessary

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changes can be made without an election or with an uncontested election, so much the better. The great inarticulate majority in the electorate does not want to face the responsibility of a party choice during war-time, and the closer Labour's defence policy has come to the Government's, the weaker has become the case for an early election. If the Government has already made a decision on the question, its secret has been very well kept. Events may of course make postponement inevitable. But one thing is certain, that, if after all an election is held this year, the Government that the Australian people will have is the one that convinces the country of its capacity to organise the nation for the maximum of effort.

Just a month after the Parliament at Westminster had passed the great Emergency Powers Act 1940, the Royal assent was given at Canberra to an amendment, in substantially identical terms, of the National Security Act. In this country, as in Britain, the brief and simple phrases authorising the Executive to make "provision for requiring persons to place themselves, their services and their property at the disposal of the Commonwealth" constituted a delegation of power unique in our history. The day before Parliament met, the Labour conference had foreshadowed support of the Bill by the Opposition by resolving (as quoted above) that the entire resources of Australia, including all productive and financial organisations, should be placed under the control of the Government for defence purposes. The Bill was in fact carried by overwhelming majorities—in the House of Representatives by 61 votes to 9, and in the Senate by 27 votes to 3.

The Australian (like a good many other people) co-operates more readily than he obeys, and the Prime Minister wisely emphasised the Government's determination to keep its great new compulsive powers in the background and to proceed, as in the past, as far as possible by co-operation, especially with the trade unions. Along with a thorough-going reorganisation of the arrangements for munitions supply has gone a patient, and now successful, attempt by Mr. Menzies to secure the

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establishment of an advisory panel of trade union representatives, with which the Government will be able to discuss all questions of industrial standards.

The war effort is expanding all the time with such velocity that last week's figures for taxation, for production, or for enlistment, are obsolete almost before they come to hand. Apart from what has been chronicled in recent numbers of *THE ROUND TABLE*, the expansion in the production of munitions calls for mention. Recent changes overseas have altered not merely the dimensions but the very shape and nature of the problem to which the Australian effort had previously been directed. We are now essaying the task not merely of multiplying our output of all the types of munitions: the organisation for directing the supply of them has been entirely reconstructed. The control of munitions production was separated from the Department of Supply and the Prime Minister himself became Minister for Munitions. The chief executive head is Mr. Essington Lewis, formerly General Manager of the Broken Hill Proprietary, which has a dominating position in the iron and steel industries of Australia. The new Director-General of Munitions Production has been given the widest powers, with direct access to the War Cabinet. The aid has been enlisted of a number of the leading industrialists of Australia as a Board of full-time directors, each of whom is to be responsible for a special department. The eight directors are concerned respectively with aircraft, ordnance, ammunition, explosives, machine tools and gauges, materials, labour supply and finance. One of the appointments to the directorships should perhaps be specially mentioned—M. J. B. Chifley, formerly Minister for Defence in the Labour Government of 1930, becomes Director of Labour Supply and Regulation. A year ago the Government was at the stage of utilising the services of many of these men in a purely advisory capacity. To-day they are giving their full-time executive services to the Commonwealth.

Australia,

July 1940.

SOUTH AFRICA

I. PARLIAMENT

THE first half of this year's Parliamentary session was reviewed in the third War Number of *THE ROUND TABLE*. The session ended on May 14, considerably earlier than seemed possible a couple of weeks before. Germany's invasion of Holland and Belgium irresistibly reinforced General Smuts's appeal, made earlier in the session but then disregarded by the Opposition, that Parliament should finish its work quickly and leave him and his colleagues free to do their war-multiplied administrative work. The remaining business of the session, which was substantial in volume, was hurried through. The Government majority stood very firm, as it had stood throughout the session, and there was no abandonment of any necessary measure, though several desirable Bills were left over. Parliament must evidently meet again, probably in September, certainly not later than October. Money will then be necessary for war supply, in addition to the £14 million budget provision.

All through the session a torrent of Opposition garrulity flowed endlessly on. The Government, which had found it necessary to use a guillotine procedure to pass the War Measures Bill, before Easter, avoided a repetition of that reluctantly-adopted step during the rest of the session. It did this at the cost of very long sitting hours, which put an unusual strain on members, especially on the Government side. For weeks the House of Assembly met in the morning, adjourned for an hour and a half for lunch, and continued, with a couple of hours off for dinner, till eleven o'clock and very often till much later. Whenever unconscionable time was being taken up by the Opposition, the Government resorted to the suspension of the rule of order by which the House automatically adjourns at 11 p.m. This meant that the leader of the House could announce that the debate in progress must be finished before

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the House adjourned. The expedient succeeded. It would have been unworkable if the Government supporters belonging to the Dominion and Labour parties and the three representatives of the native peoples had not been impeccably diligent in their attendance. Their record in this way was beyond all praise and will be remembered with gratitude by all members of the United party, which is led by General Smuts, after the war crisis is over and the present coalition of parties comes to an end. United party members were equally conscientious, so that the Government majority, which, with all members on both sides of the House voting, is 18, maintained a steady level, in all important divisions, of round about 20 and often considerably more.

Urgent measures, as has been said, were disposed of before Parliament adjourned. Among them were the Industrial Development Bill, referred to a Select Committee before Easter and passed very much in the form there given to it; the Wine and Spirits Control Amendment Bill, very vital to the welfare of the wine industry in the Western Province of the Cape; the Rents Bill, which contains an unusual experiment in its application to business premises; and the Electoral Laws Amendment Bill. The last is designed to remove anomalies in the electoral system which have crept into the machinery devised by the National Convention and embodied in the South Africa Act—our Constitution—thirty years ago. The Bill was based on a unanimous report of a Select Committee in 1939; but the Opposition members of that Select Committee, subjected no doubt to very strong party pressure, failed to live up to their Select Committee views and, when the Bill came before the House, fought many of its clauses with great determination. The South Africa Act machinery allows the Delimitation Commission, which parcels out the four Provinces of the Union into a number of constituencies fixed beforehand by an automatic process, to reduce the quota of voters by 15 per cent. in rural constituencies and to load it by 15 per cent. in urban constituencies. This provision remains unaltered in the new Act. But in practice the constitutional

PARLIAMENT

preference in favour of rural constituencies—amounting to a maximum of 30 per cent.—has been greatly exceeded. So much so, that, in the circumstances existing before the amending Act was passed, two and a half votes in some urban constituencies had no more than the same value for returning a member to the House of Assembly as one vote in many rural constituencies. These were extreme cases; but it is true to say that, as a general rule, one country vote was equivalent to from one and a half to two urban votes. The method adopted in the Act to remove this anomaly is complex and takes a number of shapes. Most important, however, are two. Compulsory registration has been made the law for the whole country, and the Delimitation Commission, which hitherto could not take account, in parcelling out constituencies, of anything but the last formal roll of voters, has now the power to take into account provisional rolls which have not passed the objection stage. Ancillary to this provision is another which reduces the period of residence in a constituency necessary for registration from three months to one, and there are many other minor alterations in the existing electoral law.

In fairness to the Opposition, it should be said that on some points in this complex measure their criticisms were a help to the Minister in charge, Mr. Lawrence, who handled the Bill with great competence and indomitable patience. An awkward incidental problem arose in connection with the Coloured voters of the Cape Province, who were included, in the first draft of the Bill, in the provision for compulsory registration. Coloured voters, however, must have certain qualifications, whereas the franchise is given to every adult white man and woman. (Coloured women, by the way, have no vote.) Officials in Mr. Lawrence's Department pointed out to him that administrative difficulties might follow the imposition of compulsory registration on Coloured voters, who have to prove that they are qualified, which would be absent in the case of white voters. Thereupon Mr. Lawrence dropped compulsory registration for Coloured voters out of the Bill, announcing this decision in his speech on the Second Reading.

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Representatives of the Coloured people saw in this decision another instance of discrimination between white and Coloured, to the detriment of the latter, and agitated to have compulsory registration of Coloured voters restored. Mr. Lawrence refused and the Government majority in the House supported him. The agitation seemed to many to be not very wise, for there was no doubt that compulsory registration would have been irksome to Coloured men living on farms in rural areas. But Coloured leaders are in a sensitive state, understandably, and the mere mention of discrimination against their people, by European friends and advisers whose zeal at times outruns their discretion, is enough to make them suspicious. In this instance, their wrath at the Government's line was based on a suspicion that the country members in the Government party had been intriguing successfully against them—a suspicion for which there was no shadow of foundation.

II. WAR POLICY

SO much for the legislative side of the session. But much time was also occupied in discussion of war policy, the Opposition taking the line laid down in General Hertzog's peace motion in January—that South Africa has no concern in the war and that the Government should make peace with Germany immediately. When Germany broke into Holland and Belgium on the night of Thursday, May 9, the House assembled next morning in a spate of excitement. It was thought by many that this outrage against Holland would change Opposition opinion and that Holland's peril would open Opposition eyes to the danger in which South Africa would be as well, if German arms triumphed in Europe. It was known that the Opposition caucus had met early that Friday morning and there were rumours of acute difference of opinion. What the decision of the caucus had been no one knew except those who had been there; but the House and the country were not to be left long in uncertainty about it. As the morning wore on, tension in the House increased. When

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business was resumed after the luncheon interval, General Smuts read the latest official telegrams and appealed for Opposition co-operation in a drastic speeding-up of the remaining work. That afternoon General Hertzog, the official leader of the Opposition, was not in his place. Dr. Malan replied to the Prime Minister in a conciliatory vein, promising co-operation. Some thought that this meant that the Opposition had decided to revise its anti-war attitude in face of the latest German aggressions. It meant nothing of the kind. The next business was the Second Reading of the Defence Special Pensions and Moratorium Bill. As soon as Mr. Hofmeyr, Minister of Finance, had spoken on the second reading motion, Dr. van der Merwe, who was deputy leader of the Opposition when the Nationalists were alone on the Opposition benches, before the September breach between General Smuts and General Hertzog on the war issue, rose to announce that the invasion of Holland made no difference to the Opposition attitude towards the war. "Our attitude towards the Government's war policy", he said, "can in no way be influenced by the most recent happenings overseas." A few moments later, Dr. van der Merwe was followed by Mr. Eric Louw, another Opposition front-bencher. This, he declared, was "not a matter of sympathy. We have the greatest sympathy with Holland and Belgium, but we place the interests of South Africa first. That is our standpoint." If there had been dissensions in the Opposition caucus that morning, there was no sign of them in the House. In the absence of the Opposition leader, two Opposition front-benchers had evidently been commissioned to make the Opposition view quite clear. On the following Monday, the Government proposed and the Opposition agreed to a special vote of £100,000 to Holland and Belgium.

If any doubt remained about the Opposition reaction to the invasion of Holland and Belgium, it was removed before Parliament finished its session on Tuesday, May 14. General Hertzog, who might have been expected, as leader of the Opposition, to announce the Opposition's attitude formally,

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remained silent. But Dr. Malan seized the opportunity offered by the second reading of the Appropriation Bill to endorse completely the pronouncement of Dr. van der Merwe and Mr. Eric Louw. Beginning with some sympathetic references to Holland and Belgium, and especially to the Queen of Holland, and uttering a rather tepid condemnation of aggression, Dr. Malan proceeded to say that "the belligerent countries in Europe have not much to reproach each other with" so far as aggression went. He would not, he said with insufferable condescension, make much point of the British landing in Iceland, though "Iceland was a small independent State which loved her independence and wanted to retain it". In Norway "undoubtedly a breach (of neutrality) was committed on both sides". As for the German invaders of Holland, in modern war "it has become a question of one or the other taking possession of good bases as soon as possible". So, "in judging of all the circumstances, we should not lose our heads entirely and we ought to look all the facts in the face". In any case, he and his party were clear that the invasion of Holland should make no difference to their anti-war policy. In spite of a "noisy, screaming propaganda . . . that owing to what has occurred, to what has happened to Holland, we on this side are wrong and should abandon our policy", he said that "it has nothing to do with it. We may have the greatest sympathy for Holland and we can disapprove of aggression and strongly disapprove of it, but that is not sufficient reason to abandon the example which Holland has set us and that we should now go and mix ourselves up in the wars of Europe."

Scathingly answered by General Smuts, who was specially severe on the suggestion that Germany's need for air bases supplied an excuse for, even if it did not justify, the invasion of Holland, this speech by Dr. Malan on the last day of the session set the note for the Opposition refusal to take the invasion of Holland as any reason at all for supporting South Africa's part in the war on the side of Great Britain. That note has been sounded throughout the country with bitter persistence ever since. When Italy entered the war, General Hertzog took the

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opportunity to address an open letter to General Smuts demanding that the Government should give in and go to ask Germany for peace terms. In this letter, General Hertzog claimed to be the mouth-piece of "the people" and justified demonstrations on behalf of his peace policy—an encouragement to potential disorder which went to the extreme limit of legitimate action by a political leader in a country at war, if it did not pass that limit.

This stubborn Opposition refusal to admit that there is anything in the fate of European neutrals from which South Africans who were for neutrality when war broke out and are now clamouring for a peace overture to Germany might learn a lesson must be exceedingly hard for people who do not live here to understand. Indeed, it is a puzzle even to General Smuts's supporters here. Opposition arguments for anti-war convictions were summed up a few days ago by Dr. Malan, in a speech at the village of Porterville, in his own Cape constituency. They do not make the puzzle any more easily understandable; but they do go as far as it is possible to go to rationalise the attitude of the anti-war people in South Africa. For that reason it may be as well to give more attention to the speech than a strict regard for proportion would allow.

Dr. Malan was a Predikant of the Dutch Reformed Church before he became a politician. His oratorical manner is still strongly reminiscent of the pulpit—almost entirely without gesture, monotonous in tone, harsh in voice. He delivers his speeches with a set, frowning face. Yet he is effective, mostly because of the architectural merit of his orations. They are built up in a reasoned process of logical argument; the working-out is always clear; his premisses once granted, the rest follows in a superficially impressive sequence. The speech at Porterville was very long. The local Nationalist paper printed it verbatim, at an expenditure of five pretty solid columns. The collapse of France was still in the near but as yet murkily ominous future. The foundation of the speech was the familiar assumption of anti-war partisans here—that South Africa was dragged last September into "England's war"—

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a war which was no concern of hers. From that the rest followed with a specious weight of seemingly automatic development. The war—Dr. Malan remarked—had taken a very ominous turn for the Allies. If Britain was defeated, the consequences would be even more grave for South Africa than for Britain herself. No nation of millions of people could be annexed by a conqueror. The power of a Britain defeated would be diminished; but it would be the possessions of Britain which would lose their identity. And our Government, by joining the war on the British side, had given the impression to outsiders, who did not understand our constitutional position, that South Africa was the “will-less” possession of Britain. Therefore the problem for South Africa now was not the war but the peace. To say that South Africa was in danger from Italy was “tomfoolery”. Italy was as far away from us as the United States from Germany. Yet we had attacked her in North Africa, not she us. But, it was being asked, did not the invasion of Holland make all the difference? Here Dr. Malan carried a travesty of events to almost incredible lengths. Neutral after neutral, he sneered, had asked Britain for help. Britain had helped none of them. It was natural that South Africans should feel the deepest sympathy for Holland, but we had harboured no resentment against her when she had remained neutral in the Anglo-Boer war, and Holland would not expect South Africa to do anything else now. Facts must be looked in the face. This immersion in the troubles of Europe, which General Smuts had committed us to when he joined Britain in war with Germany, had been a fatal blow to national unity. There had been attempt after attempt to achieve national unity on the basis of the British connection. All had failed. Such attempts must always fail. The only way to national unity was through a free, independent Republic. And so to the peroration, exultantly applauded by an audience of 3,000, gathered by lorry-loads to come to that small village. The war might be lost by Britain. South Africa might have to choose whether to remain a “whole people” or to be part of a British Empire which had lost the war—that was to say a

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British Empire under Hitler. "The choice then is a Republic or Hitler."

There should be no risk in assuming that an exposure of Dr. Malan's fallacies is unnecessary here. They proclaim themselves with almost inconceivable hardihood. But their reception, with eager and wholly uncritical appetite, by so large a crowd is a measure of the ignorance and the ill-will towards Britain among a large part of our people, on which the Opposition parties batten; though the caution is necessary that among the 3,000 at Porterville there was doubtless an appreciable number who were far less in agreement with Dr. Malan than their abstention from dissent suggested. A fair proportion, too, must have felt violent antagonism to the speech, but did not care, in that atmosphere, to say so at some risk to themselves.

III. INTERNAL CONDITIONS

IN the South African political chronicle in the third War Number of *THE ROUND TABLE* it was said that the signs showed a considerable swing towards General Smuts among the Afrikaans-speaking people in areas where such a movement of opinion had seemed improbable. Porterville is a stronghold of Opposition, especially Nationalist, opinion, and the unanimity of a meeting there in favour of Dr. Malan is no contradiction of that statement, which is as justifiable now as it was then, though the collapse of France has certainly checked the pro-Smuts trend. Much will depend on the result of the European struggle between Germany and single-handed Britain. If Britain holds her own till the winter begins, there will be a great rise in her prestige locally, with a corresponding weakening in that of Hitler. At the moment, the French *débâcle* has overshadowed the German invasion of Holland and Belgium as a factor affecting the Government's strength in the country districts. Yet, in spite of the Opposition contention that the rape of Holland should not affect South African opinion about the war, Afrikaans-speaking people

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have felt it very deeply. The obvious lesson, too, that neutrality is no protection and that the mercies of Hitler are not tender, has not been lost on large numbers whose political affiliations are Opposition. Afrikaans-speaking people, especially those of the better class, are law-abiding and, after long reflection, are reaching the view that, when the country is at war, support of the Government, though not necessarily political support, is an elementary duty. An example of this is a pronouncement by Senator Alberts, a much respected follower of General Hertzog, who has said that, though his political opinions are unaltered, he recognises his duty to support the Government in war-time. He added that he had not attempted to prevent his son from volunteering for military duty anywhere in Africa. The Hertzog element in the Opposition, through the mouth of one of its most influential members in the Free State, Senator Brebner, has deprecated the holding of political meetings in war-time. But the Nationalist element, under Dr. Malan, has taken the other line. Constant efforts are made to stir up political feeling against the Government. A week or so ago, a procession of women was organised to interview the Prime Minister at Pretoria and to demand that the Government should sue for peace from Germany. General Smuts allowed the procession to come to Government buildings, having warned the organisers that he would be too busy to see them. When it arrived, the leaders were ushered into the presence of Mr. Hofmeyr, who greeted them with his habitual politeness, offered them tea, and ushered them out again. This wise tact and firmness checked at its source a protracted flood of propaganda, confidently calculated by the organisers of the procession. But the Nationalists are persistent. Peace propaganda goes on. Meetings in many parts of the country are being organised. Intemperate language is used at these meetings by prominent Nationalists and pre-prepared resolutions for peace are passed with conventional and regimented unanimity. Proposals and plans for the reception of children evacuated from Britain meet likewise with violent protest: whether as a gesture towards Britain of

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sympathy and practical help or as a dastardly plot by the Government to introduce fresh British blood into the Union, such plans are equally distasteful to those whose motto is "Ourselves Alone".

There has been a not unnatural tendency among pro-Government elements to think that these Nationalist activities should not be allowed. Hot-heads say that the Government should proclaim martial law and that leading Nationalists should no longer have the opportunity of making hardly veiled seditious speeches, but should be clapped into the muzzle of an internment camp. The Government has been deaf to all representations of this kind, believing, it is natural to suppose, that martyrdom is precisely what the Nationalist leaders would enjoy and that martial law had better be kept in reserve in case there is an undeniable need, of which there is no very impressive evidence up to now. It is true that, among some elements of the Afrikaans-speaking people, feeling is bad and that disorder might break out if the Government either lost control through weakness or lent itself to over-severe handling of disaffected persons. Hitherto, both these extremes have been successfully avoided and there is no visible reason why the present, sporadically uneasy, but for the most part satisfactory, state of affairs should not continue indefinitely.

The internment of enemy aliens and of naturalised persons or born South Africans found engaging in intrigues or activities against the State has been proceeding on lines which have given less satisfaction among more responsible people. Fifth-column exploits in Holland and elsewhere have made a deep impression on the public mind. Towards the end of the session the *Cape Times* advocated internment of all Germans. General Smuts announced that the Government would stiffen up its internment policy and this has been done, but there is still an uncomfortable impression in quarters not given to nerves that Germans reasonably suspected of subversive tendencies are still at large.

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IV. WAR EFFORT

CIVILIANS in war-time can do little but help financially. South Africa has not been backward in this form of war effort. Considering that we have but two million white people and that a large proportion of them are hostile to the war, the amount contributed is very large. There are too many funds and this dissipation of contributions tends to obscure the generous reality. The main fund, rather unhappily named the Mayors' Fund when it was started at the beginning of the war, has just been re-named the Governor-General's Fund, and the Government has agreed to share in its main purpose—care for dependants of our fighting men. South Africa, of course, is exceptionally fortunate in its circumstances. The rise in the cost of living has been hardly noticeable, because the Government has wisely controlled prices through boards of knowledgeable civilians. The collapse of France shocked the gold share market and lowered the price of gold shares, but the fall was much less than it might have been, considering that fears about the future of gold naturally accumulated with the Nazis' successes. But a very reassuring statement on the gold position by the Governor of the Reserve Bank—a Hollander by birth and not given to random optimism—steadied opinion and checked the fall.

Little information can be expected in war-time about the progress of recruiting and the extent of volunteering for service anywhere in Africa. The Government promised when the war began not to send troops oversea and it is relying on volunteers for the men that it is sending north to help in the protection of the communities there. In the circumstances already described, there has been some tendency among recruits, mainly in the country areas, to refuse to offer to go north. That was an inevitable effect of Nationalist anti-war propaganda. But the Prime Minister has said that recruiting for the north has satisfied him, and it must be remembered that, with a good deal of political resistance to the Government's war policy existing in the country areas, no Govern-

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ment could risk sending more than a proportion of reliable troops beyond the frontiers of the Union.

Yawning gaps in the defence provision of equipment and armament which General Smuts inherited from Mr. Pirow are being filled up with all possible speed. The Government has very wisely enlisted the help of expert civilians in these supply matters, with satisfactory results in most directions. It would have been still wiser if it had done the same in order to hurry up the process of attesting volunteers, in which there have been very protracted delays, mostly in Capetown, exasperating to individual recruits and spreading doubts about the competence of the Defence authorities. Similar muddles about the definition of "key men" in industry and commerce, payments to dependants of men in the forces and so on, have intensified these doubts. But any machine on a small scale, such as our Defence organisation was, is likely, when suddenly called upon to expand largely and quickly, to undergo strains which are too much for it, and the reluctance of the military mind to condescend to accept civilian help in such circumstances is not limited to South Africa. Still, a little more imagination from the Government in the way of anticipating these red-tape failures by insisting on military acceptance of civilian assistance, which was eagerly offered and available in great abundance, would have made a very excellent impression on a public mind perhaps too sensitive to military lapses. Defence Liaison Committees, manned by civilians, are now being appointed to straighten tangles out—a welcome sign of Government grace.

As soon as Italy entered the war, South African air-planes moved north and took the offensive. Repeated bombing raids have been made on objectives in Italian East Africa and on the Abyssinian frontier, with all the effect of a surprise attack and at a minimum cost in casualties. South African troops have also moved north to Kenya. This was officially announced by the Government within a few days of Italy's entry into the war.

South Africa,
July 1940.

NEW ZEALAND

I. CABINET RECONSTRUCTION

THE death on March 27 of the Rt. Hon. Michael Joseph Savage, M.P., the first Labour Prime Minister of New Zealand, raised new political problems. In the normal course of events the Hon. Peter Fraser, as Deputy Prime Minister, would have become Prime Minister, and would have reconstructed his Cabinet according to his own ideas, after consideration of the views of his more prominent colleagues. In this case, however, the normal course of events could not be followed. Mr. Fraser immediately took charge of the affairs of the country, but his appointment was temporary, pending the decision of the members of the Parliamentary Labour party. Under the Labour system Caucus has the deciding vote in the selection of the head of the Government and, theoretically at least, in the choice of Ministers.

On April 1 Mr. Fraser received a commission from the Governor-General to form a new Government. This was in accordance with precedent. As senior Minister and as the man who had deputised for Mr. Savage during his long illness he had an unquestionable claim to receive His Excellency's summons. His claim, similarly, to be given the confidence of the Labour party by its confirmation of his leadership in Parliament was generally considered to be beyond challenge. But some speculation was caused by the common knowledge that there were elements within the Caucus of the party which might seek to dispute Mr. Fraser's leadership on the ground that the pace of progress toward the fulfilment of socialist policy in New Zealand could be increased if the Cabinet were radically reconstructed. It has long been known that such a reconstruction was desired, particularly by certain more radical members of the parliamentary group. The debate at the annual

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Easter Conference of the Labour party, at which a good deal of linen was laundered and which had its sequel in the expulsion of Mr. Lee, had already indicated that Mr. Savage himself had suffered from dissension within the organisation under his control. It was plain that there had been argument in the past among Labour politicians as to the methods adopted in the selection of the first Labour Administration. Members of that Cabinet were originally chosen by the Prime Minister himself. This was in keeping with well-established political precedent, but there had been subsequent complaint, openly voiced, that the practice then followed was at variance with the "democratic principles of the party". A group within the party has for some time been actively insisting that the task of selecting Ministers is not one for the Prime Minister and leader of the party, but for the party Caucus as a whole. This view has been put forward so strongly that it has led to a considerable measure of dissension within the party.

Labour at the eve of the 1935 election was represented in Parliament by 24 members. After the election its numerical strength had increased to 55. When it took over the government of the country, the party in the House of Representatives consisted of a considerable proportion of younger men with little or no previous parliamentary experience. It was doubtless this fact, together with the fact that Mr. Savage had with him many of his old and tried colleagues who had had long parliamentary experience in opposition, that made him feel that he would be ill-advised to follow the usual Labour procedure in the selection of a Cabinet. Mr. Savage had insisted on naming his own Cabinet. But while this concession was allowed on this occasion, it was clearly not understood by parliamentary members that it created a precedent, or that it should be made again either to Mr. Savage or to any successor; for the constitution of the Labour party specifically provides that Cabinet members shall be selected by a majority vote.

When Labour was returned for a second time at the general election of 1938, the circumstances prevailing immediately after the general election of 1935 no longer held. The great

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majority of members had by then had at least one term of parliamentary experience. This apparently was the view taken by at least a section of the parliamentary group, for immediately after the 1938 election Mr. Savage was handed a letter, signed by thirteen members of Parliament, demanding that the Cabinet be elected by a vote of Caucus. At the first Caucus called after the election (as stated by the *Standard*) Mr. Lee moved a resolution that the Cabinet be elected by the members of the Parliamentary Labour party. The method he proposed was that every member of the Parliamentary party should be automatically nominated and that there should then be an exhaustive ballot under the preferential voting system to determine who should be in the Cabinet. Mr. Savage refused to accept that method. The recalcitrants were not satisfied, however, and a motion proposed by them was carried. Mr. Savage refused to accept the motion and declared that, as far as he was concerned, he had finished with the matter until he placed it before the annual Easter Conference, as Conference was the governing authority in the party. The national executive of the party was, however, disturbed at the state of affairs within the parliamentary group and prevailed upon Mr. Savage to call Caucus together in February 1939. This meeting of Caucus was also attended by members of the national executive of the Labour party organisation. It was eventually agreed that a special committee should be set up to consider the whole question of Cabinet selection. The committee finally recommended that the leader of the party in Parliament should be selected on a vote of a majority of the members of the Parliamentary Labour party at a meeting to be called in the year of the general election prior to the opening of the last session of Parliament. As to the constitution of his Ministry, the leader of the party was to nominate all members whom he desired to have in it. These nominations were then to be submitted to the approval of the party assembled in Caucus. If all the names were not accepted by the party members in Caucus, then each member was to be invited to recommend other members for the leader's consideration. From among these recom-

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mendations the leader was to nominate those whom he desired to complete the full Cabinet. These nominations were likewise to be submitted to the Caucus for approval, and this procedure was to continue until the general opinion of the Caucus had been ascertained and met. A similar procedure of nomination and approval was to be followed to decide who should fill an extraordinary vacancy in the Cabinet. These recommendations were adopted unanimously by the national executive and by the members of the Parliamentary party Caucus, and were confirmed at the 1939 Easter Conference. They clearly represented a compromise between the principle of majority rule in Caucus and the course adopted by Mr. Savage in a certain set of circumstances. Here the matter was allowed to rest.

Important, however, as was the problem of Cabinet selection, it was not the principal cause of dissension. It was the façade behind which lay an even graver problem, that of the pace of progress toward complete socialisation in New Zealand. In a party predominantly youthful and accounting for two-thirds of the total number of seats in the House of Representatives this was a problem that was almost bound to arise. It was kept in check during Labour's first term because the party was largely occupied in working out a social security scheme, in formulating regulations governing the hours and wages of industry, in creating a guaranteed price scheme for dairy products, in planning educational improvements, and in bringing down other measures of a more or less social nature. While the party was occupied with such measures there was less inclination to consider one of the major planks in the Labour electoral programme, monetary reform.

The Labour party was swept back to office in 1938 on the tide of Social Security. While the 1935 Labour election programme included vaguely the gradual control of credit and currency, and this was in part implemented by the purchase of the private share capital in the Reserve Bank in 1936, that plank was not officially included in the 1938 election programme save in the general objective of the "continuation of

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the Government's progressive legislation and administration", nor was it stressed in the election campaign by members of the Cabinet. But private members voiced some demand for taking over the banks and this demand grew stronger when Labour's second term of office began. It became evident that there were growing within the party two distinct financial policies, one orthodox and front-bench, and the other unorthodox and back-bench. Back-bench pressure became insistent. The Left Wing, led by Mr. Lee, clamoured for the State ownership of the Bank of New Zealand and for New Zealand currency and credit to be divorced from sterling and export prices and to be based instead upon New Zealand production. These recalcitrants urged in Caucus the necessity for State ownership of the Bank of New Zealand as the second step toward the fulfilment of the party's electoral pledge of monetary reform.* Coupled with this demand was Mr. Lee's advocacy of a "debt-free credit system". The disaffection of the radical element was becoming a serious matter for party unity.

The fact that Caucus on April 4 promptly elected Mr. Fraser to leadership of the party by a decisive majority over a Left Wing challenge, and, more surprisingly, that it continued his colleagues in office, conveys the impression that it realised the overriding importance of maintaining stability, continuity and unity in the Labour party's administration. Doubtless, the tradition of party loyalty, reinforced by party discipline, helped also to smooth the way for the new leader and his Ministry. But, however that may have been, there was no doubt that the general opinion of the community was that the obvious and sound course for Caucus to take was to confirm Mr. Fraser in office. That it did so caused general satisfaction. Mr. Fraser is known and respected as a conscientious administrator and as a representative of more moderate Labour. It seems certain, however, that Mr. Fraser made at least some effort to conciliate the more radical element, since he undertook to present to Caucus in due course a report on possible additions to the Cabinet and, at the same time, stated that the

* See Pamphlet *I Fight for New Zealand*, Lee, pp. 14-16.

CABINET RECONSTRUCTION

whole question of Cabinet selection would be reviewed by Caucus at the end of the year.

The next step was for Mr. Fraser to submit to the Governor-General the resignation of himself and the other members of the provisional Government, and to lay before him proposals for a new Ministry. These have been accepted by His Excellency. The second Labour Ministry consists of the following Ministers:

Hon. P. Fraser: Prime Minister, Minister in Charge of Broadcasting.

Hon. W. Nash: Minister of Finance, Minister of Customs, Minister of Marketing, Minister in Charge of Land and Income Tax.

Hon. D. G. Sullivan: Minister of Industries and Commerce, Minister of Supply, Minister of Railways.

Hon. H. G. R. Mason: Minister of Education, Attorney-General, Minister of Justice.

Hon. H. T. Armstrong: Minister of Health, Minister in Charge of Housing and State Advances.

Hon. R. Semple: Minister of Public Works, Minister of Transport, Minister of National Service, Minister of Repatriation.

Hon. W. E. Parry: Minister of Internal Affairs, Minister of Social Security.

Hon. P. C. Webb: Minister of Labour, Minister of Mines, Postmaster General and Minister of Telegraphs.

Hon. F. Jones: Minister of Defence and Minister in Charge of War Pensions.

Hon. W. Lee Martin: Minister of Agriculture.

Hon. F. Langstone: Minister of Lands, Minister of External Affairs, Native Minister, Minister for Cook Islands.

Hon. D. Wilson:* Associate Minister of National Service and Repatriation.

Hon. D. G. McMillan: Minister of Marine.

The main difference between this and the previous Ministry† lies in a number of changes that have been made in the allocation of portfolios and departments in such a way as to relieve

* The Hon. Mark Fagan, who had become Speaker in the Legislative Council, had already been replaced by the Hon. D. Wilson, who had taken Mr. Fagan's place as Leader of the Legislative Council.

† THE ROUND TABLE, No. 102, March 1936, p. 433.

NEW ZEALAND

the three members of the Cabinet, the Prime Minister, the Minister of Defence and the Minister of Finance, upon whom in time of war the heaviest burden must fall. The addition of Mr. D. G. McMillan to fill the vacancy caused by the death of Mr. Savage was a later appointment. Mr. Fraser announced that at a Caucus on May 24 Dr. D. G. McMillan, member for Dunedin West, had been recommended to him for Cabinet rank. There were several nominations and the choice was made by vote. His appointment as Minister of Marine dates from June 12. At the same time as he announced that Dr. McMillan had been recommended for his consideration, Mr. Fraser announced that Mr. Nash, Minister of Finance, had been unanimously elected Deputy Leader of the Labour party. The chief interest in Dr. McMillan's election to Cabinet rank lies in the fact that he is a well-known supporter of the Left Wing element in the parliamentary group and spoke against the expulsion of Mr. Lee at the Labour party's Easter Conference. That he has been accepted by Mr. Fraser would seem to indicate a desire on the part of the new leader to placate the recalcitrant element and close the ranks of the party.

Apart from other considerations, there seems little doubt that the reshuffling of portfolios has revealed a weakness in the Government. In a party which contains a considerable proportion of younger men it might have been thought that the opportunity would have been taken to reinvigorate the Ministry by including three or four younger members. As it is, less capable Ministers now hold portfolios that may well overtax their administrative ability, while the more capable Ministers are still overburdened and will doubtless have to come to the aid of the weaker members of the Cabinet. The whole Ministry also tends to suffer in its authority and influence in war-time from its lack of a single member who has seen service in war. There are, however, indications that the present Cabinet should be regarded rather as provisional than as permanent. Probably Mr. Fraser intends to leave the door open for further change after he has had an opportunity to test his popularity and the strength of his own support

CABINET RECONSTRUCTION

within the Parliamentary party. While it is perhaps regrettable that Mr. Fraser has not been able to reach stability at once, particularly as the explanation of his inability to do so must lie to some extent in the internal condition of the party, it is only to be expected that he should move with some caution at this time. He is a noted tactician and will doubtless use every endeavour to reunite the party.

II. THE CASE OF MR. LEE

THE drastic step of Mr. Lee's expulsion was the climax of a series of events beginning with the notorious "Lee Letter"* and ending with the article "Psycho-Pathology in Politics" published in the December 6 issue of *Tomorrow*.† An official summary of the debate at the Easter Conference shows that the point at issue was Mr. Lee's attitude towards Caucus rule and to the national executive and the late leader. There is a complete absence of any comment upon his policies. As indicative of the general feeling of the Conference towards the Lee policies, some significance must be given to the fact that it later elected to the high office of Vice-President of the party Dr. McMillan, who is known to have been closely associated with Mr. Lee.

Mr. Lee in the wilderness has laid the foundations of a new political organisation, the Democratic Labour party. Accusing the official Labour party of abandoning the policies upon which it was twice returned to power, he has stated the programme of his own organisation to be for the present "the programme the Labour party was elected on at the last general election and is not putting into operation".‡ It is too early to comment on the probable development of Mr. Lee's party or to venture an opinion as to the effect it will have upon the future of the "official" Labour party.

* THE ROUND TABLE, No. 116, September 1939, pp. 873-6.

† THE ROUND TABLE, No. 118, March 1940, pp. 467-8.

‡ *The Dominion*, Wellington, May 2, 1940.

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III. AN OUTSPOKEN SPEAKER

FROM the point of view of party solidarity perhaps of more significance than the expulsion of Mr. Lee was the resignation from the party of the Hon. W. E. Barnard, Speaker in the House of Representatives and Member for Napier, until now known to the public mainly through his interest in the problems of New Zealand's population and his advocacy before the advent of war of an acceleration of the Dominion's defence programme. A man of more sober and balanced judgment than Mr. Lee, Mr. Barnard's resignation came as something of a surprise to the community. The extent of his Left Wing leanings was not generally realised until he himself made it clear in his letter to the Prime Minister written a few days after the Caucus of April 4. The three main reasons expressed in it for leaving the party are that under the leadership of Mr. Fraser the Parliamentary party will not be able to exercise its democratic rights, the growing political domination of a small clique of trade union leaders not in themselves representative of the rank and file of the workers is slowly destroying the soul of the Labour movement, and the confirmation in office of the present Cabinet until the end of the year means that the financial policy of the party as declared in 1935 and reaffirmed in 1938 will not be fulfilled.

Mr. Barnard has resigned "for the present", thus indicating that his quarrel is not with the Labour party as such but with its present leaders, and "for the present" he has joined forces with Mr. Lee and his Democratic Labour party. He has refused to resign either his seat as member for Napier or the Speakership of the House of Representatives. He claims that as regards the first he was elected on the Labour programme, and, since he stands for its fulfilment, the situation has not changed so far as he personally is concerned. He was elected to the Speakership by the vote of the House of Representatives for the life of Parliament and is therefore entitled to retain that appointment as long as he enjoys the confidence of the Chamber.

PARTY VERSUS NATION

IV. PARTY VERSUS NATION

THE growing feeling in the community that New Zealand's war effort is inadequate has evoked a widespread expression of opinion in favour of an all-party government. There is little doubt that the critical turn of events in Europe has stirred the people of the Dominion to a more realistic conception of the gravity of the situation. Though nowhere admitted, it can hardly be denied that the expression of public concern has had a good effect. On May 24 the Leader of the Opposition, the Hon. Adam Hamilton, accompanied by the Rt. Hon. J. G. Coates, waited on the Prime Minister and represented to him that in the present emergency it was urgently necessary that New Zealand should have an all-party government. Since Mr. Fraser himself had applauded the British action in forming a government on a purely national basis, it was not unreasonable to suppose that New Zealand would follow suit. It came as a disappointment to a large section of the community, therefore, when Mr. Fraser later announced, after consultation with this party, that he was unable to accept Mr. Hamilton's suggestion but proposed instead the formation of a War Council of fifteen, consisting of the Ministers directly concerned with the conduct of the war, representatives of the Opposition and of employers, trade unions, and farmers. At the same time, Mr. Fraser announced that Parliament would reassemble a fortnight earlier than was originally intended and would be asked to extend the powers already taken under the Emergency Regulations Act. On May 30 Parliament reassembled after a recess of nearly eight months during which time a number of important commitments and decisions had been made. After the Speech from the Throne had been delivered the Emergency Regulations Amendment Bill was introduced in the House of Representatives. It is, in effect, a one-clause measure giving the Government power to take any steps it considers necessary without further reference to Parliament other than tabling in the House of Representatives regulations made under it. Its scope was revealed when

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the Minister of Finance said of it that "all the forces, physical and material, in this country that can be used for the prosecution of the war effort come completely and entirely under the control of the Government. There is no limitation to it." In the words of the Prime Minister, "both personal and property rights and liberties will eventually be subordinated to the common interest".

Although the Opposition rejected Mr. Fraser's proposals for a War Council on the ground that "nothing short of a supreme authority absolutely unifying the country, invested with absolute powers capable of inspiring confidence, and giving the necessary authority for immediate action, would be considered", it showed its complete appreciation of the gravity of the position in allowing the Bill to pass through the House of Representatives without a division.

The Opposition view is that legislation as drastic as the Emergency Regulations Amendment Act should be "agreed" legislation and should not be imposed by a parliamentary majority on a minority, nor should it be administered solely by the representatives of a majority which was the result of a peace-time party programme. In the circumstances that have produced the necessity for such legislation an exclusively party government is a disturbing anomaly, since it leaves large political minorities without either representation or safeguards for their rights. On June 13 Mr. Fraser, in a letter to the Leader of the Opposition, advanced on his previous position by inviting Mr. Hamilton to nominate two members of his party to act in a War Cabinet with three members representing the Government. But Mr. Fraser's second offer, like his first, was clearly an attempt to reconcile the demand for a genuinely national administration with the reluctance of the Labour party to share political authority, on the ground that "the Government, having been elected by a large majority of the people, was competent to carry on the war effort without taking into the Cabinet any members of the Opposition". The weakness of the War Council was that, although it gave representation to those sections of the community without

PARTY VERSUS NATION

confidence in Labour, it was without ultimate authority. The same weakness is apparent in the proposal for a War Cabinet, for "the responsibility of the War Cabinet will be to consider and determine all matters relating to the Second New Zealand Expeditionary Force, His Majesty's naval and air forces, and home defence. The remaining duties and functions of government will be carried out by the present Cabinet in the usual way". If such a War Cabinet is formed, the War Council is to be relegated to the status of a purely consultative and advisory committee. Partisan distrust is still in painful evidence. The two Opposition appointments to the War Cabinet would be members of the Executive Council without portfolio and without the right to attend Cabinet meetings. But the essential weakness lies in the fact that, apart from the strictly military aspects of New Zealand's war effort, the Opposition, representing, as it does, a large minority in the community, would be completely barred from participating in administration. Mr. Hamilton, while restating the Opposition's full determination to stand four square behind New Zealand's war effort, rejected the Prime Minister's second overture, and there the matter rests. The point of view has been expressed that the Opposition should have closed with the Government's offer in the belief that the arrangement would either have developed into the genuine article or else have clearly demonstrated its own futility.

In the meantime, the Government has gone ahead with the formation of a War Council. The invitation to the Opposition to nominate three members to act on this Council remains open. Government has gone as far as the party will allow. The Opposition remains firm for "all-in" government or nothing. But negotiations are still proceeding.*

Whatever influence the division of opinion in the Labour

* It was announced on July 16 that a War Cabinet had been formed consisting of Mr. Fraser, Mr. Nash, Mr. Jones and Mr. Coates. According to the Prime Minister's statement, this Cabinet will exercise a conclusive control over New Zealand's war effort. The general Cabinet will continue to control all other matters and the Ministers will retain their present portfolios. [Ed.]

NEW ZEALAND

party may have on the future development in the internal politics of New Zealand, or whether an "all-in" government is eventually formed or not, there is no doubt that all parties are desirous that New Zealand should make its maximum war effort. If there is any complaint in this direction, it is that those who are not of military age or fitness find no provision made for utilising their services on the Home Front.

V. WAR EMERGENCY REGULATIONS

IN preparation for an accelerated and intensified war effort new and important portfolios have been created and allotted to the Hon. R. Semple, who becomes Minister for National Service and for Repatriation, with the assistance of the Hon. D. Wilson in both departments. Mr. Semple will now direct over a large field the powers to acquire and organise services under the Emergency Regulations Act. It is sufficient to say that no other Minister is so well fitted in resolution, decision and driving energy for this task.

A number of regulations have now been gazetted. In framing these the Government has made the widest possible use of the extraordinary powers which Parliament conferred on it. Provision is made for covering every phase of national life, and every section of the community may be brought under the control of the Government, whose powers, subject to a right of appeal in certain instances, are absolute. The regulations providing for compulsory national service cover all persons over the age of 16 years, who are to form a general reserve. Reservists may be required to join the armed forces for duty overseas or for home service, or they may be called upon to undertake any other kind of national service within the Dominion which is essential and which they are capable of performing.

The voluntary system, except for men wishing to join the Royal New Zealand Air Force, is to cease on July 22. Although the regulations provide for compulsory national service

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on the part of all persons resident in the Dominion over 16 years of age, the reference to the age of 16 is to facilitate the compilation of the general reserve and does not contemplate the inclusion of youths of that age in the military service section. Provision is also made for the names of reservists, as they are wanted, to be drawn by ballot. Only single men will be called up to begin with and these will be within the prescribed age limits of 21-41 for overseas service and 19-45 for home service. Those called up for service overseas are, according to present indications, to be sufficient to keep our overseas division up to full strength.

In the regulations covering industries, goods, and properties the widest possible powers of control are conferred upon the Minister of Supply. Under the Finance Regulations the most notable provisions are that the Reserve Bank is given the right to acquire all foreign currencies and securities, the Government taking over the securities at the market price and giving stock in exchange, thus exchanging one investment for another; new capital issue is brought under control, the Minister of Finance may direct the use of capital for production under state guarantee, and he is empowered to enforce subscriptions to the War Purposes Loan, subject to the right of appeal. With the publication of the regulations, Government announced the personnel of the War Council. It comprises 14 members, but does not yet include representatives of the Opposition. Its powers are solely those of supervising and directing the war effort, but do not include control of finance or civil policy, which the Opposition believes is essential if war policy is to work closely with civil policy.

VI. THE BUDGET

ON June 27, the Minister of Finance introduced the 1940 budget, based on a "pay-as-you-go" policy. In his Consolidated Fund Account he budgeted for a surplus of £46,000.

NEW ZEALAND

The main features of the Expenditure are:

	£
Ordinary Budget (non-war)	36,784,000
Public Works (apart from revenue)	15,083,000
Social Security (apart from Budget), say	9,250,000
War Expenses	37,500,000
Total	<u>98,617,000</u>

Of this, £60,000,000 is to be found from revenue, mainly taxation, and almost £19,000,000 from borrowing, with £19,750,000 received as a loan from the British Government to cover overseas war expenditure. Of the total £61,000,000 is for ordinary civil purposes, being £46,000,000 from revenue and £15,000,000 from loans for Public Works. The ordinary budget expenditure, estimated at £36,784,000, is a little higher than last year's expenditure which, with the Defence items deducted, was £36,628,000. The Public Works provision is £20,589,000, against £23,917,000 estimated last year. The expenditure on Social Security is to be £2,200,000 more than in 1939. The total expenditure in *New Zealand* for war purposes is estimated at £17,500,000.

Special taxation provisions which are expected to yield the bulk of this amount are as follows. An increase of the Sales Tax from 5 to 10 per cent. In addition to the 1s. in the pound Social Security Charge, wages and salaries are to be subjected to a further "National Security" Charge of 1s. in the pound. There is to be an upward revision of income tax, with a basic rate of 2s. 6d. in the pound as compared with the previous basic rate of 2s. (There were increases of 20 per cent. and 15 per cent. last year.) The graduation is to be stiffened to a maximum of 12s. in the pound in the case of individuals, and 8s. 9d. in the pound in the case of companies. In addition, the 15 per cent. increase imposed on income tax last year for war purposes continues. Excess profits are to be absorbed by taxation on a basis yet to be disclosed. Debenture interest is to be taxed and state trading activities are to be assessed for income tax. Death duties are to be substantially increased. All these

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sources are expected to yield £14,120,000, leaving £3,630,000 to be provided to meet the expenditure in New Zealand.

Provision is to be made for compulsory loans, which it has been suggested may be free of interest for 3 years or until 12 months after the end of the war, and thereafter bearing interest for 10 years at a rate not exceeding $2\frac{1}{2}$ per cent. Interest-free loans already subscribed will offset liability in this direction.

New Zealand,

July 1940.

APPENDIX

LIST OF WAR-GIFTS FROM THE COLONIAL EMPIRE*

ADEN

	<i>£</i>	<i>s.</i>	<i>d.</i>
His Highness the Sultan of Mukalla to His Majesty's Government for the prosecution of the war.	Rs. 20,000		
	(£1,500)		
His Highness the Sultan of Lahej. to His Majesty's Government for the prosecution of the war.	Rs. 13,500		
	(£1,012 10s.)		
Privately subscribed to the British Red Cross and St. John Fund.	254	15	0
To King George's Fund for Sailors.	100	0	0
G. M. Muhammadally & Co. towards cost of war.	75	1	6

BAHAMAS

The Government of Bahamas to His Majesty's Government for the prosecution of the war.	22,000	0	0
Voted by Legislature (Loan to H.M.G. free of interest for duration of war).	250,000	0	0
Sir Harry and Lady Oakes of Nassau, to His Majesty's Government for the purchase of a fighter aircraft.	5,000	0	0
Privately subscribed to the British Red Cross and St. John Fund.	14,510	0	0
To King George's Fund for Sailors.	1,444	0	0
For purchase of aircraft.	15,000	0	0
A local Citizens' Committee (to His Majesty's Government as a contribution to supplies in the United Kingdom).	600 gallons of preserves and 750 gallons of lime-juice.		
The Bahamas Red Cross Society to the Central Hospital Supply Service and His Majesty's Forces.	146 consignments of hospital supplies and knitted comforts.		

BAHRAIN

From the Sheikh to H.M.G.	30,000	0	0
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* Up to August 20.

LIST OF WAR-GIFTS

BARBADOS

A fund called "Win the War" has been opened and voluntary subscriptions exceed	20,000	0	0
Privately subscribed to the British Red Cross and St. John Fund.	915	6	8
To King George's Fund for Sailors.	300	0	0
Barbados Voluntary War Workers to the Central Hospital Supply Service and His Majesty's Forces.	9 cases of hospital supplies and knitted comforts.		
The Barbados Produce Exporters Association to His Majesty's Canadian Forces.	100 barrels of molasses.		
The Government of Barbados to His Majesty's Government for the prosecution of the war.	125,000	0	0
To H.M.G. for war purposes by Policy holders of Barbados Mutual Life Ass. Soc.	5,000	0	0

BASUTOLAND

To H.M.G.	16,500	0	0
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BECHUANALAND PROTECTORATE

To H.M.G.	5,515	0	0
To British Red Cross and St. John's	1,428	3	11

BERMUDA

An Englishman settled in Bermuda, to the local Government for the prosecution of the war.	10,000	0	0
The Government of Bermuda to His Majesty's Government for the prosecution of the war.	40,000	0	0
For local defence purposes.	20,000	0	0
The Corporation of the City of Hamilton to H.M.G. for the prosecution of the war.	1,000	0	0
Privately subscribed to the Bermuda War Fund.	17,000	0	0
Privately subscribed at an Empire Fete in April 1940.	3,396	7	11
Privately subscribed to St. Dunstan's.	100	0	0
To the British Red Cross Society by Mr. and Mrs. Gibbons and members of Gibbons Company of Bermuda for the purchase of 5 military ambulances.	2,750	0	0
To the British Red Cross and St. John Fund.	4,177	0	0
1,500 tons of scrap metal shipped to U.K.			

BRITISH GUIANA

Mr. Boodhoo, an East Indian rice grower at Demerara, to His Majesty's Forces.	5,000 lb. of rice.		
Mr. R. G. Humphrey:			
A collection of old gold coins and a gold snuff box to the British Red Cross and St. John Fund.			
Privately subscribed to the British Red Cross and St. John Fund.	6,013	0	0

APPENDIX

Privately subscribed through a local committee to raise funds for the purchase of military aircraft.	42,500 0 0
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BRITISH HONDURAS

Privately subscribed to the British Red Cross and St. John Fund.	2,000 0 0
Local organisations to the Central Hospital Supply Service and His Majesty's Forces.	2 cases of hospital supplies and knitted comforts.

CEYLON

The Government of Ceylon to His Majesty's Government for the purchase of aircraft.	Rs. 5,000,000 (£375,000)
The <i>Uva Club</i> and <i>New Zealander</i> through the <i>Times of Ceylon</i> to His Majesty's Government for the prosecution of the war.	107 13 6
Mr. and Mrs. L. W. F. de Saram to His Majesty's Government for the purchase of aircraft.	10,000 0 0
Privately subscribed through the <i>Times of Ceylon</i> for the purchase of fighter aircraft.	30,000 0 0
From the Colombo Municipal Council to His Majesty's Government for prosecution of war.	15,000 0 0
Privately subscribed to H.M.G. for war purposes.	18,750 0 0
To the British Red Cross and St. John Fund.	20,021 0 0
To King George's Fund for Sailors.	1,739 0 0
To the Shipwrecked Fishermen and Mariners' Royal Benevolent Society:	
Through the Nuwara Eliya Golf Club.	60 0 0
Through the Irish Association of Ceylon.	38 8 5
The Hospital Supply Association, Ceylon, to the Central Hospital Supply Service, London:	
Garments, &c. (1,376).	
Bandages and surgeons' masks, &c. (836).	
Swabs (1,167).	

CYPRUS

Privately subscribed to His Majesty's Government through the "Cyprus Fighter Plane Fund".	2,500 0 0
To the British Red Cross and St. John Fund.	3,500 0 0
Mr. N. Phylactou to a charity connected with the Royal Air Force.	2 0 0
Mr. C. Haggipavlou, O.B.E., Mayor of Limassol, to family of first British soldier killed in France.	10 0 0

FALKLAND ISLANDS

The Government of the Falkland Islands to His Majesty's Government for the purchase of aircraft.	50,000 0 0
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LIST OF WAR-GIFTS

Privately subscribed to the British Red Cross and St. John Fund.	2,625 0 0
Falkland Islands Co. to H.M.G. (Loan free of interest till 3 months after end of war).	20,000 0 0

FIJI

The Colonial Sugar Refining Company to the Government of Fiji for the prosecution of the war.	2,500 0 0
The Colonial Sugar Refining Company have leased to the Crown for 99 years freehold land, for use as an aircraft landing ground, at a peppercorn rental.	
Privately subscribed through local fund for the purchase of military aircraft.	40,540 10 9
To the British Red Cross and St. John Fund.	5,643 7 2
Returned to New Zealand for the Red Cross appeal by 600 lepers at Makogia, Fiji (half the amount collected in the Dominion for the lepers).	100 0 0
Suya Bowling Club to H.M.G. (Loan free of interest till one year after peace treaty).	225 4 6

GAMBIA

Privately subscribed to:

British Red Cross and St. John Fund.	330 0 0
King George's Fund for Sailors.	150 0 0
H.M.G. by Syrian and Lebanese community towards cost of aircraft.	525 0 0

GIBRALTAR

Privately subscribed through a committee of local citizens to His Majesty's Government for the prosecution of the war.	30,007 0 8
To the British Red Cross and St. John Fund.	1,547 18 3

GOLD COAST

The Government of the Gold Coast to the "Gold Coast Fund for War Charities".	4,000 0 0
To His Majesty's Government for the purchase of bomber and fighter aircraft. Gift.	100,000 0 0
Loan for the duration of the war, free of interest.	500,000 0 0
The "Gold Coast Fund for War Charities" to:	
British Red Cross and St. John Fund.	6,000 0 0
Other charities (details not available).	1,133 9 6
The "Gold Coast Spitfire Fund" to His Majesty's Government for the purchase of aircraft.	30,000 0 0
Three West Indian residents in the Gold Coast (Mr. G. A. Busby of Suhum, Dr. R. A. Hoyte of	300 0 0

APPENDIX

Nsawam, and Mr. G. Francois of Tafo—£100 each) to His Majesty's Government for the prosecution of the war.	
Privately subscribed to the British Red Cross and St. John Fund.	190 15 0
From Kumasi Public Health Board to H.M.G. (Loan free of interest for duration of war).	5,000 0 0

HONG KONG

The Government of Hong Kong to His Majesty's Government for the provision of 4 minesweeping vessels which are being built in Hong Kong.	\$475,000
For the prosecution of the war.	100,000 0 0
Privately subscribed to His Majesty's Government through the <i>South China Morning Post</i> and the <i>Hong Kong Telegraph</i> for the purchase of aircraft.	86,912 10 0
To the British Red Cross and St. John Fund.	20,234 12 10
Sir Robert Ho Tung to His Majesty's Government. (Loan for 2 years free of interest.)	10,000 0 0

JAMAICA

Privately subscribed to:	
The British Red Cross and St. John Fund.	31,005 16 3
Y.M.C.A. War Service Fund.	500 0 0
King George's Fund for Sailors.	5,100 0 0
The Jamaica Central War Assistance Committee to the Central Hospital Supply Service and His Majesty's Forces: 31 cases of hospital supplies.	
2 cases of hospital supplies and knitted comforts.	
5 cases of knitted comforts. 6,000 cases of citrus:	
3,154 cases to the B.E.F.; 1,639 cases to the Royal Navy; 1,207 cases to the R.A.F.	
8 cases of preserves to the B.E.F. 3 cases of confectionery. 202 barrels of coffee to B.E.F., Royal Navy and R.A.F.. 1,680 cases of rum to His Majesty's Forces.	
Collected by the children of Jamaica on the anniversary of the birthday of Princess Elizabeth as a donation to a war charity in which she is interested.	100 0 0
Privately subscribed to the British Red Cross and St. John Fund.	169 7 8
Through <i>The Gleaner</i> for bombing planes.	30,000 0 0
Dr. Sinclair to His Majesty's Forces.	228 packets of Kentucky Tobacco.
	50 live Turtles.
Messrs. H. O. Merren and Company of Georgetown, Grand Cayman, to the Royal Navy.	

LIST OF WAR-GIFTS

KENYA

Sheikh Sir Ali bin Salim, K.B.E., C.M.G., for Christmas presents for children of naval personnel who had lost their lives in the present war.	200 0 0
Privately subscribed to the British Red Cross and St. John Fund.	4,360 7 3
Through the Kenya War Welfare Fund to:	
Purchase 3 ambulances by residents of Nawasha district.	1,252 0 0
King George's Fund for Sailors.	1,000 0 0
Royal Naval Benevolent Fund.	250 0 0
Royal Air Force Benevolent Fund.	300 0 0
Royal National Lifeboat Institution.	350 0 0
St. Dunstan's.	400 0 0
Church Army.	125 0 0
Salvation Army.	125 0 0
Young Men's Christian Association.	125 0 0
Missions to Seamen.	50 0 0
Through the Kenya Central War Fund to further the successful prosecution of the war.	20,000 0 0
Sub-Assistant Surgeon Gur Bux Singh, to the Royal Naval Benevolent Trust for the relief of families of those lost in British submarines.	5 0 0
The Swahili Community at Eldama Ravine, to H.M.G. for the prosecution of the war.	1 12 0
The Kenya-Uganda Railway and Harbour Administration to His Majesty's Government. (Loan for the duration of the war, free of interest.)	100,000 0 0

LEEWARD ISLANDS

Antigua

Privately subscribed to the British Red Cross and St. John Fund.	52 0 0
Local organisations to the Central Hospital Supply Service.	7 consignments of hospital supplies.

Montserrat

The Hon. H. A. Howes to the Central Hospital Supply Service.	480 lb. of cotton for Red Cross pillows.
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St. Kitts

Voted by Executive Council to H.M.G. as a contribution to the war.	5,000 0 0
Privately subscribed to:	
The British Red Cross and St. John Fund.	1,428 12 8
The Red Cross Ambulance Fund.	1,200 0 0

APPENDIX

Local organisations to the Central Hospital Supply Service. 2 cases of hospital supplies.

Virgin Islands

Privately subscribed to the British Red Cross and St. John Fund. 25 0 0

MALAYA

Privately subscribed through the Malaya Patriotic Fund to:

1. British Red Cross and St. John Fund.	95,500 0 0
2. French Red Cross.	5,000 0 0
3. Y.M.C.A. for the provision of vans and huts.	5,000 0 0
4. Y.M.C.A.	10,000 0 0
5. Shipwrecked Mariners' Society.	12,500 0 0
6. Shipwrecked Mariners' Society, for the benefit of members of the Mercantile Marine who have suffered loss or injury by torpedo, gun-fire, mine or aerial attack.	5,000 0 0
7. Admiralty, for the benefit of members of the Royal Navy who have suffered similarly.	5,000 0 0
8. Soldiers', Sailors' and Airmen's Families Association.	15,000 0 0
9. Incorporated Soldiers', Sailors' Help Society.	10,000 0 0
10. St. Dunstan's.	10,000 0 0
11. The Salvation Army.	15,000 0 0
12. Navy League Comforts Supply.	5,000 0 0
13. Comforts for Officers and Men of the Royal Navy, including Drifters, Minesweepers, Trawlers and other small vessels.	4,000 0 0
14. Overseas League Tobacco Fund.	3,500 0 0
Privately subscribed to the British Red Cross and St. John Fund.	461 6 9

STRAITS SETTLEMENTS

The Government of the Straits Settlements to H.M.G. towards the cost of Imperial Defence.	1,000,000 0 0
For the prosecution of the war.	1,000,000 0 0
Captain H. J. Abbey, Singapore, to H.M.G. (Loan for the duration of the war, free of interest.)	5,000 0 0
Messrs. N. Reuben & Co., Singapore, to His Majesty's Government for the prosecution of the war.	1,000 0 0
Mr. Yeap Chor Ee, a resident in Penang, to H.M.G. for the prosecution of the war.	1,500 0 0
A resident in Singapore, who desires to remain anonymous, to H.M.G. for the prosecution of the war.	87 3 0

LIST OF WAR-GIFTS

Mr. T. M. Winsley, a resident in Singapore, to H.M.G. for the prosecution of the war.	50 0 0
Mr. Khoo Sian Ewe, a resident in Penang, to H.M.G. for the prosecution of the war.	1,000 0 0
Privately subscribed through the "Straits Settlements War Fund", by the <i>Straits Times</i> and the <i>Straits Echo</i> , for the purchase of aircraft.	250,000 0 0
To the British Red Cross and St. John's.	1,010 16 11
The Singapore Harbour Board are constructing two patrol vessels to be presented as free gifts to the Royal Navy.	
The Penang (George Town) Municipal Commissioners to H.M.G. for the prosecution of the war.	35,000 0 0
The Singapore Chamber of Commerce to H.M.G. for the prosecution of the war.	11,731 15 5
From Mr. and Mrs. R. A. Page, Singapore. (Loan free of interest for prosecution of war.)	2,000 0 0

FEDERATED MALAY STATES

Their Highnesses the Rulers of the Federated Malay States to H.M.G. towards cost of Imperial Defence.	\$4,000,000
For the prosecution of the war.	(£466,666 13s. 4d.)
Mr. P. P'chient, a Chinese resident in the State of Negri Sembilan to His Majesty's Government.	£1,000,000 0 0
(Loan for duration of war, free of interest.)	\$100,000
His Highness the Sultan of Perak to H.M.G. (Loan for duration of war, free of interest.)	(£5,833 6s. 8d.)
His Highness the Sultan of Selangor on the anniversary of his birthday as a personal war contribution to His Majesty's Government.	£1,000 0 0
An Asiatic resident in Kuala Lumpur, who wishes to remain anonymous, to His Majesty's Government for the prosecution of the war, and as a token of appreciation of the Premier's leadership.	\$10,000
	(£1,166 13s. 4d.)
Mrs. Loke Yew (£2,000) and her son Mr. Loke Wan Tho (£10,000), Chinese residents in Kuala Lumpur, to His Majesty's Government for the prosecution of the war.	2,000 0 0
	10,000 0 0
A British resident in the Federated Malay States who wishes to remain anonymous, to His Majesty's Government. (Loan free of interest until one year after the cessation of hostilities with Germany.)	\$25,000
	(£2,916 13s. 4d.)
Mr. M. C. Hay, a resident in the Federated Malay States to H.M.G. for the prosecution of the war.	100 0 0
Privately subscribed to His Majesty's Government through the Federated Malay States War Fund for the purchase of aircraft.	55,000 0 0

APPENDIX

Harban Singh, F.M.S., to H.M.G. (Loan for the duration of the war, free of interest.)	\$2,000 (£233 6s. 8d.)
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UNFEDERATED MALAY STATES

Brunei

His Highness the Sultan of Brunei to His Majesty's Government towards the cost of Imperial Defence.	\$100,000 (£11,666 13s. 4d.)
For the prosecution of the war.	\$100,000

Johore

His Highness the Sultan of Johore as a contribution by the State of Johore to His Majesty's Government for the prosecution of the war.	250,000 0 0
Dr. Crawford, Muar, Johore, to His Majesty's Government for the prosecution of the war.	1,000 0 0

Kedah

His Highness the Regent on behalf of the Government of Kedah to His Majesty's Government for the prosecution of the war.	\$1,000,000 (£116,666 13s. 4d.)
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Kelantan

His Highness the Sultan of Kelantan on behalf of the Government of Kelantan to His Majesty's Government towards cost of Imperial Defence.	\$100,000 (£11,666 13s. 4d.)
For the prosecution of the war.	\$100,000

Perlis

His Highness the Raja of Perlis on behalf of the Government of Perlis to His Majesty's Government towards the cost of Imperial Defence.	\$25,000 (£2,916 13s. 4d.)
A contribution from his State for the prosecution of the war.	\$150,000 (£17,500 0s. 0d.)

Trengganu

His Highness the Sultan of Trengganu to H.M.G. towards cost of Imperial Defence.	\$50,000 (£5,833 6s. 8d.)
For the prosecution of the war.	\$50,000

MALTA

Privately subscribed to the British Red Cross and St. John Fund.	74 6 3
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MAURITIUS

The Government of Mauritius to His Majesty's Government.	The cost of an aircraft.
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LIST OF WAR-GIFTS

To the British Red Cross and St. John Fund.	2,000 0 0
On the celebration of Empire Day, to His Majesty's Government for the prosecution of the war.	Rs. 180,000 (£13,000)
The Government of Mauritius to His Majesty's Government for the prosecution of the war.	Rs. 2,000,000 (£150,000)
Privately subscribed to H.M.G. through a fund inaugurated by the Mauritius Press Association to further the successful prosecution of the war.	Rs. 382,296 (£28,672 4s.)
To the British Red Cross and St. John Fund.	1,000 0 0
"In aid of the British Forces."	136 17 6

NIGERIA

From the Government of Nigeria to His Majesty's Government for the prosecution of the war.	100,000 0 0
Privately subscribed to H.M.G. through the Nigeria "Win the War Fund", for military aircraft.	10,000 0 0
Through the Nigerian War Relief Fund to:	
The British Red Cross and St. John Fund	15,027 13 11
The Polish Relief Fund.	4,500 0 0
King George's Fund for Sailors.	5,500 0 0
St. Dunstan's.	2,000 0 0
Finnish Relief Fund.	2,000 0 0
Shipwrecked Fishermen and Mariners' Royal Benevolent Society.	2,000 0 0
For Colonial Air Force.	5,000 0 0
The Chiefs of the Northern Province are to make voluntary monthly contributions of 5 per cent. of their salaries to the Government to help meet war expenditure.	
An offer by the Oron Native Administration in Calabar Province to contribute £200 towards the cost of the war was declined in view of the local financial situation.	

NORTH BORNEO

The North Borneo War Relief Fund to war charities in England.	1,000 0 0
Privately subscribed to the British Red Cross and St. John Fund.	1,805 0 0

NORTHERN RHODESIA

The Government of Northern Rhodesia to H.M.G. for the prosecution of the war.	200,000 0 0
Privately subscribed to the British Red Cross and St. John Fund.	3,129 5 9

APPENDIX

By the native employees of the Globe and Phoenix Gold Mining Company in Northern Rhodesia.	65 0 0
To King George's Fund for Sailors.	660 0 0
For purchase of aircraft.	20,000 0 0
By Ndola Municipal Council "Win the War" Fund.	1,000 0 0

NYASALAND

The Government of Nyasaland to His Majesty's Government for the prosecution of the war.	20,000 0 0
For the purchase of military aircraft.	32,850 0 0
Privately subscribed to:	
The British Red Cross and St. John Fund.	2,400 0 0
King George's Fund for Sailors.	400 0 0
For purchase of aircraft.	7,000 0 0

PALESTINE

Privately subscribed to the British Red Cross and St. John Fund.	101 7 4
To St. Dunstan's Hospital.	250 0 0
Mr. M. Neviasski to His Majesty's Government towards cost of British Forces in Palestine.	9 0 0

ST. HELENA

Balance of gift made to St. Helena by the British Red Cross in 1920 has been returned to the society.	139 10 0
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Ascension Island

Privately subscribed to the British Red Cross and St. John Fund.	9 0 0
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SARAWAK

His Highness the Rajah of Sarawak to His Majesty's Government for the prosecution of the war—Securities to the par value of \$1,000,000.	116,666 0 0
His Highness the Rajah of Sarawak to His Majesty's Government for the prosecution of the war.	\$500,000 (£58,333 6s. 8d.)
Privately subscribed to H.M.G. through a local fund to further the prosecution of the war.	\$40,000 (£4,666 13s. 4d.)
To the British Red Cross and St. John Fund.	1,000 0 0
The Sarawak Rubber Industry to His Majesty's Government for the prosecution of the war.	11,718 15 0

LIST OF WAR-GIFTS

SEYCHELLES

Privately subscribed to the British Red Cross and St. John Fund.	723 0 0
To H.M.G. for one ambulance, balance for general war purposes.	2,000 0 0

SIERRA LEONE

The Government of Sierra Leone to His Majesty's Government as a contribution towards the cost of the war in grateful recognition of the great benefits which Sierra Leone has received during the last 153 years under the British flag.	100,000 0 0
Privately subscribed to the British Red Cross and St. John Fund.	4,405 5 0
Mr. H. N. Thompson to His Majesty's Government. (Loan for the duration of the war, free of interest.)	500 0 0
Privately subscribed to the British Red Cross and St. John Fund by 126 persons representing the small Lebano-Syrian Community.	1,758 11 0

SWAZILAND

War Fund	2,535 0 0
Red Cross Fund.	115 0 0

TANGANYIKA TERRITORY

The Chief and people of the Machame and Kibongoto Chiefdom of the Chagga Tribe, Moshi District, a proportion of each person's 1939 harvest of coffee, maize or eleusine. Foodstuffs to be used by the King's African Rifles at Moshi; coffee to be sold and proceeds credited to Tanganyika Red Cross Fund.	
The members of the Kilimanjaro native Co-operative Union who are of the Chagga Tribe—20,000 shillings for purposes connected with the war.	
The Chief and people of the Uru Chiefdom of the Chagga Tribe—73 bags of maize and 7 bags of beans for the use of the King's African Rifles.	
A Meru tribesman of the Arusha District—50 lb. of tobacco for the use of the troops at Arusha.	
Mrs. D. Williams Lushoto, Tanganyika Territory, to the Army Comforts Committee.	32 0 0
The Bena Tribe of the Ulanga District—100 bags (about 10 tons) of rice for the use of the King's African Rifles.	

APPENDIX

The 14 Chiefs of the Dodoma Native Council— 94 head of cattle for the use of His Majesty's Forces.	
The Government of Tanganyika Territory to H.M.G. for the prosecution of the war.	100,000 0 0
Privately subscribed to the British Red Cross and St. John Fund.	3,085 2 4
To a local fund to be handed unconditionally to H.M.G. for war purposes.	12,500 0 0
Through the Tanganyika Welfare Fund to:	
King George's Fund for Sailors.	1,083 0 0
The Soldiers', Sailors' and Airmen's Families Association.	1,000 0 0
St. Dunstan's.	1,000 0 0
For amenities for African troops.	750 0 0
For Indian troops in the Middle East.	250 0 0
Dar es Salaam Chamber of Commerce. (Loan free of interest to H.M.G. for duration of war.)	600 0 0
From Tanganyika Gineries Ass. (Loan free of interest to H.M.G. for duration of war.)	200 0 0

TRINIDAD

The Government of Trinidad to His Majesty's Government for the prosecution of the war.	\$2,500,000 (£520,500)
Loan for the duration of the war, free of interest	\$2,500,000 (£520,833 6s. 8d.)
"A Trinidadian" to H.M.G. £10,000 worth of 3½ per cent. War Loan for the purchase of aircraft.	10,000 0 0
Collected by the Chinese Section of the local Red Cross Society for the purchase of 2 ambulances.	\$5,000 (£1,042)
Privately subscribed to the British Red Cross and St. John Fund.	29,266 17 6
Fund for officers and men of the Royal Navy who took part in rescue of survivors of the <i>Simon Bolivar</i> .	268 10 0
Through a fund inaugurated by the <i>Trinidad Guardian</i> for the purchase of aircraft for the defence of England.	52,000 0 0
Sir George Huggins to His Majesty's Forces.	213 cases of citrus.
Trinidad Red Cross Society to the Central Hospital Supply Service, His Majesty's Forces and Refugee Organisations: 10 cases of hospital supplies and knitted comforts. 8 cases of refugee clothes.	

TRISTAN DA CUNHA

A large parcel of woollen comforts made by 25 in-
habitants of the Island has been sent to the Army
Comforts Depot.

LIST OF WAR-GIFTS

UGANDA

The Government of Uganda to His Majesty's Government for the prosecution of the war.	100,000	0	0
The Kabaka of Buganda on behalf of the Government and people of Buganda to His Majesty's Government for the prosecution of the war.	10,000	0	0
The Omugabe, Chiefs and people of Ankole towards the purchase of military aircraft.	1,000	0	0
The Native Government of Buganda and the Native Administrations of the Eastern and Western Provinces have promised to give £5,000, £7,000 and £5,000, respectively, each year during which the war lasts and for one year after it ends towards the expenditure of the Protectorate.			
Seven motor lorries and one saloon car have been presented to the Uganda Government by Mr. K. H. Kamani, Mbale, Uganda.			
A Central War Charities Committee has been set up to deal with contributions to British Red Cross and St. John War Organisation, &c., and the making of comforts for troops.			
Privately subscribed to:			
The British Red Cross and St. John Fund.	1,177	4	6
King George's Fund for Sailors.	575	0	0
Uganda War Fund to H.M.G. for purchase of aircraft.	30,000	0	0

WESTERN PACIFIC

Gilbert and Ellice Islands

The Banabans, a native community on Ocean Island to His Majesty's Government for the prosecution of the war.	12,500	0	0
Privately subscribed to the British Red Cross and St. John Fund.	120	6	0

New Hebrides

New Hebrides Central Committee for Aid to Soldiers formed to assist dependents of soldiers mobilised from the New Hebrides, and to collect funds for the Red Cross Society, &c.			
Privately subscribed to the British Red Cross and St. John Fund.	20	11	2

British Solomon Islands Protectorate

Privately subscribed to the British Red Cross and St. John Fund.	£A.534 (£425)		
	963		

APPENDIX

Tonga

An aerodrome site of 546 acres on "Royal" land has been leased to His Majesty's Government at a rental of 15. per annum by the Queen and Premier of Tonga.

Privately subscribed to the British Red Cross and St. John Fund.

366 17 8

WINDWARD ISLANDS

Grenada

The inhabitants of Grenada—104 bags (about 10 tons) of raw cocoa for the use of His Majesty's Forces.

Privately subscribed through the Grenada War Purposes Committee:

To the British Red Cross and St. John Fund.	1,011 0 0
To the Governor of Trinidad Fund for West Indian Seamen.	40 0 0
To King George's Fund for Sailors.	800 0 0
To H.M.G. for fighter plane.	5,000 0 0
To Lord Baldwin's Fund for R.N. and R.N.R.	100 0 0
To St. Dunstan's Hospital.	100 0 0

Local organisations to the Central Hospital Supply Service and His Majesty's Forces. 1 case of hospital supplies and knitted goods.

Dominica

The Lebanese Syrians of Dominica towards the cost of a bombing plane or the purchase of bombs. 360 0 0

Privately subscribed to:

British Red Cross and St. John Fund.	218 0 0
St. Dunstan's.	16 0 0
King George's Fund for Sailors.	20 0 0
To H.M.G. for war purposes.	500 0 0

St. Lucia

Privately subscribed to H.M.G. through a local fund for the purchase of military aircraft: 2,100 0 0

To British Red Cross and St. John Fund. 250 0 0

To King George's Fund for Sailors. 20 0 0

From local organisations to the Central Hospital Supply Service and His Majesty's Forces. 1 case of hospital supplies and knitted comforts.

St. Vincent

The St. Vincent Arrowroot Association to His Majesty's Government for the purchase of aircraft. 5,000 0 0

LIST OF WAR-GIFTS

Privately subscribed to the British Red Cross and St. John Fund.	200 0 0
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From local organisations to the Central Hospital Supply Service and His Majesty's Forces.	1 case of hospital supplies and knitted comforts.
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BRITISH WEST INDIAN SUBJECTS IN BRAZIL

Privately subscribed by 39 British West Indian subjects at Porto Velho, Brazil, to the Tobacco Fund for British Fighting Forces.	Rs.472 (£6 4s. 2d.)
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ZANZIBAR

Privately subscribed to:

The British Red Cross and St. John Fund.	1,000 0 0
King George's Fund for Sailors.	303 0 0

His Highness the Sultan of Zanzibar on behalf of the Government of Zanzibar to His Majesty's Government for the purchase of fighter aircraft.	20,000 0 0
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